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AGRICULTURE IN YUGOSLAV SOCIAL PLAN  
(Milun Ivanović)



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D. JERKOVIĆ

## QUESTION MARK

**D**URING the month of March, Adenauer was busy travelling. He visited Athens, Ankara and Rome. His journey was widely commented on by the world press, but these comments varied — it all depended on the standpoint adopted by the journalists. However, all these comments have one point in common — they voice the amazement of their authors as regards the vitality of Germany, which is deprived of the Saar and of Eastern Germany, and which is still without a Peace Treaty and still occupied. The conclusion to be drawn from these comments is that, nevertheless, Germany of today represents a subject, in international and especially European, relations, which should be considered to a much greater degree than it has been up till now. To do this would be proper because the policy pursued by Germany in the past, and likely to be resumed in the future will, sooner or later, create such a situation that the withdrawal of the occupying troops, the conclusion of a Peace Treaty and all the other aspects of the so-called German problem will be reduced to mere technicalities because the essential problem will have been „solved“ by then. If such reasoning was appropriate in the past, Adenauer's present journey makes it an urgent necessity.

The character and aims of the mission of the German Chancellor have been commented on in three different ways. Some people are of the opinion that the old Chancellor undertook this strenuous journey in order to pave the way for German economic expansion and to renew Germany's old political ties, thereby increasing the international prestige of Western Germany. Others agreed with this opinion but expressed the view that the importance of the Chancellor's visits should be primarily judged from the standpoint of foreign policy: according to this opinion he was exceptionally anxious to obtain full support for the policy of prompt ratification of the European Defence Community Treaty, contrary to the well-known attitude of France. Adenauer's journey, in other words, was a manoeuvre especially calculated to exercise pressure on France in connection with the ratification of the EDC Treaty. Germany considers that EDC, under the present circumstances, is the most effective means through which she can achieve equality of rights, rearmament, and greater freedom of action in Europe. There are again others who claim that Adenauer was trying to put forward an alternative solution to that of the EDC, to bring together Bonn, Athens, Ankara, and, if possible, some

other countries, irrespective of what attitude France might adopt towards such a combination. According to these writers not only Bonn, but also Washington, which was in favour of this journey, are increasingly impatient owing to the reluctance of France to accept the EDC. This is the reason why Bonn and Washington are planning some alternative solution along the lines mentioned.

As a matter of fact, it should be noted that these comments on Adenauer's journey were inspired by the writing of the well-informed press of Western Germany on the eve of the journey. It may be stated that the intention of the Bonn Government was to throw such a light on the aims of the journey as reflected by these comments. The official communiques of the talks which Adenauer had with the statesmen of the countries he visited were so worded that they justify the comments which we have summarized above.

The official reaction of France and Great Britain, and of that part of Europe west of Germany, are such that they do not give sufficient material for a proper visualization of the policy of these countries toward the Chancellor's journey. The silence from these quarters on the subject of the Chancellor's journey is sufficient indication that the whole tour was viewed with a certain reserve and some lack of confidence. While in Greece and Turkey, Adenauer discussed some economic and financial problems. The parties concerned agreed that there was a possibility of intensifying economic co-operation. Great Britain, owing to its present economic situation, cannot look with indifference on such a prospect. The same holds good for France which, in the course of the last year or two, has shown a tendency to regain its positions in this part of the world. Western Europe could look with indifference on the renewal of Germany's political influence in the countries Adenauer recently visited only in so far as the policy of Germany is confined within the framework of Western defence. The countries beyond the Rhine and North of Germany would probably react if the German mission aimed at the renewal of that country's political and other influence to serve its own interests.

It would be difficult, at present, to speak of the practical results which these visits may bring about. It is not likely that these results will show themselves in the near future. The importance of the mission is, therefore, at present, to be found in the fact that it points to the possibilities of Western Germany. The opinion prevails that the division of Germany and that of Europe is to be pursued on this assumption, ac-

cepting all the consequences of such a policy. It is not known whether the German Chancellor achieved any success in this respect. The greater part of Western Europe does not agree with Germany's views and that is why Germany is seeking Washington's sympathy and co-operation. If the journey was intended to serve such a policy, and this may be so, it cannot be regarded as a happy move at a time when Europe is increasing its efforts to consolidate itself in order to come to a more lasting solution of the problems of peace and security, and to settle in a just manner its present disputes.

## TACTICAL OFFENSIVE

**T**HE Soviet Union sent three notes to Athens protesting against the agreement between Greece and the USA of 18th October 1953, on ceding bases to the US forces. The Soviet Government set also three notes to Turkey: the first on 2nd December 1953, the second on 28th January and the third on 18th March 1954. The objections related to Turkey's moves to establish definitive military and political relations with Pakistan, and to her taking part in the naval manoeuvres of the Atlantic Treaty countries. Simultaneously the USSR sent a note to Pakistan, and, not long ago, one to Holland, who has ceded military bases to the USA and has the intention of allowing the American forces to set up garrisons on her territory. Notes were also sent to the Arabian countries, cautioning them that the USSR would consider their eventual military cooperation with the Western powers as a threat to peace. This series of notes has probably not ended here, but will be continued, as is habitable with a policy made up of recipes and patterns which are continually repeated.

There are different views in the world as to questions of agreements on armament aid (if or when accompanied by stipulations regarding concessions that affect sovereignty or independence) and defence agreements that disregard the principle of equality, and quite naturally they are looked on with reserve by some. Military defensive systems are looked on with the same reserve, if they ignore Charter principles, etc. From this point of view many such agreements or programmes between various countries, would be censured. But on the other hand it is a fact that they have been, in almost all cases, either incited or justified by Soviet policy, which, by threats, moves and pressure, in the period since the



war, has made measures of self-defence necessary.

What do the Soviet notes say: what does Soviet policy object to? In almost all its notes the USSR tries to prove that these self-defensive measures are not justified, stressing that the security of the countries in question never has been, up to now, endangered by Soviet policy. But at the same time the notes referred to threaten that these countries will be held responsible for the consequences, for all instances they fall in with USA policy, „which is preparing for aggression against the Soviet Union and its security“.

It seems strange that Moscow sends such messages, warnings and threats to the countries that are really frightened of, and still are in the dark as to Soviet intentions. If we consider the Soviet steps, that probably represent elements of a new tactical offensive, we must only conclude that ruling circles in Moscow are actuated by some new hypothesis or definite belief about the world situation and the place the Soviet policy takes in it.

The only likely explanation of the background of the present tactical offensive of the USSR, with its notes of protest may be found in Moscow's belief in an undeniable rehabilitation of Soviet policy since the beginning of the so-called peace offensive, or, on the other hand, that their policy has forced the Americans into isolation, and that such moves are bound to be successful. This supposition is strengthened by the fact that in all the notes the pacific character of Soviet policy is particularly stressed, its previous concessions and tokens of „good will“ recalled and the aggressive and despotic character of the American policy underlined.

Naturally, if we are right in our conceptions, the Soviet suppositions are not based on fact, and any expectation of the results of their tactics is, to put it mildly, premature. If there are some definite changes in the world today, and if the nations, in Europe especially, are tackling their problems from a different angle and looking for a constructive solution, it does not mean that this is the result of Soviet „good will“, or their cooperation. Neither does it mean that every defensive effort, especially if it does not suit the Soviet policy, should be ignored or considered unjustified out of regard for this policy. If such was the case, then Soviet policy would have to depart a long way from its accustomed path and undergo such changes that, without resorting to pompous phrases or threats, would convince the world of the really peaceful disposition of the USSR.

However, it is not impossible that these Soviet manoeuvres may create a definite impression in some parts of the world, or even have some effect on them. Should this happen, then we must look for the cause first in the fact that the measures undertaken are not always harmonious with the principles we have set forth, and that sufficient care is not paid to the specific conditions dictated by the place and time. It follows that the building of really defensive systems can be accomplished only if they are made concordant with definite principles, which will render

them efficacious means for the defence of peace and security, at the same time depriving Soviet propaganda of the opportunity of playing the champion of the cause of equality and independence of peoples, or of a pacific policy among the nations.

## PAKISTAN MESSAGE

If one wished to state, briefly and in a few words, the basic differences between the political views of independent Asia and the western policy in Asia, particularly that of the USA, one would say that modern Asia puts first all the problems originating in economic backwardness and poverty — contrary to Western policy, which insists that the foremost problem is that of the military and strategic defence of Asia in general, but especially against the „communist danger“. These differences of policy also result in different conclusions as to the solution of the basic problems in Asia: while the West believes that the problems can be solved by armament — by the building up of military political systems within the frame-work of the western strategy (by including the Asiatic countries in the western strategic system), in Asia it is held that an economic metamorphosis, the industrialization and the modernization of the economy and state administration must come first of all. These measures would solve the most vital problems.

Since views regarding the major needs of modern Asia are so opposed, the aid of the West in the economic, social and cultural spheres is hardly felt, while the military aid (or aid to this end) is most substantial in those parts of Asia where people are ready to adopt the western policy viewpoint as for instance is the case with Japan, South Korea, Formosa, Indochina, Siam and, lastly, Pakistan.

If viewed in the light of these diametrically opposed standpoints, India's antagonism to the steps taken by the USA to build up bases and forces in Pakistan, and to create a defence line that would stretch through the Middle East area, including Turkey, becomes comprehensible. The arguments of India are not only unfavourable to such a plan — they often express fears that the existing balance in this part of the world may be upset owing to Pakistan's armament — but at bottom the West and Asia disagree in the fundamental appraisal of the situation. Asia's opinion is that, for the moment, fears of Soviet aggression are, owing to the vast areas, mountain chains and other obstacles between Asia and this aggression, groundless, and that no danger threatens from China either, for the general belief in Asia is that China is too much preoccupied by her problems of inner stabilization and the normalization of her international relations. No convincing arguments have been put forward to refute this fact. But that does not mean that the situation might not be changed in the future. The real danger, meanwhile, that is devastating this part of the world is backwardness, misery and utter poverty, with all their

consequences, and there is a general belief that the improvement of this situation would be the best way to build up consolidated states and self-defending countries, to lay solid foundations for security and defence from eventual outside aggression. The results of the elections in East Pakistan, where the more advanced part of the population lives, if carefully summed up, are interesting chiefly as a means of illuminating the entire problem of the opposed policies of Asia and the West, the more so, since the elections were held immediately after the talks and the consequent agreement between Pakistan and the USA.

Two political parties contested the elections: the reigning Moslem League, which had been leading the country since the proclamation of its independence, and the united opposition — the United Block, comprising party groups of the right, moderate parties, and even those of the left. According to the first informations received, the programme of the opposition included a demand for the autonomy of this part of Pakistan, for a more liberal and modern economy, for making Bengali an official language and for the normalization of trade and other relations with India. As far as we know, a special foreign policy programme was not put forward, but the whole fight was aimed against the present foreign policy of Karachi and special stress was laid on the demand for a more independent foreign policy and more normal relations with India. In this fight the reigning party, the Moslem League, was totally defeated: out of 204 seats it won only 7, while the United Block of the opposition got 187. In this way a most awkward situation has been created for the other part of Pakistan, which is soon to hold its elections. This is not only because the Government and the League have been discredited by their foreign policy, and not only because they are likely to be outnumbered in the next elections, but because such a development in Pakistan, especially in the case of resistance from the centre (and there are signs of it) can cause unforeseen and far-reaching complications, which would not be confined to a change in internal policy only.

The Pakistan elections, on the one hand, corroborate Asia's claim for priority of social, economic, national and political problems in present Asia, but on the other hand, they should be a stimulus for the revision of the terms on which western policy is building up its relations with modern Asia. Japan's opposition to the revision of the constitution regarding the arming of this country, on the basis of the USA-Japanese treaty, and the latest signs of resistance in Egypt and other countries against a policy which is being forced through western plans, contrary to the economic and social needs and national aspirations in this part of the world, all these sound a warning that should not be ignored. But above all, these signs indicate the need of putting international relations on a basis of mutual understanding, respect and equality, for only in this way can lasting, mutually efficacious and peaceful cooperation in the common interest of preserving peace in the world be achieved.



**VELJKO VLAHOVIĆ**

President of the Foreign Affairs Commission of the SAWPY

# Problems of Democracy or Problems of the Struggle for Socialism

*In the last number of the „Review of International Affairs“ we published in this place the concluding part of the article by Mr. Benedikt Kautsky on the problems of democracy. Here we publish an article by comrade Veljko Vlahović which represents his reply to Mr. Kautsky's views.*

*This article closes the discussion between Mr. Benedikt Kautsky, representative of the Socialist Party of Austria, and comrade Veljko Vlahović, President of the Foreign Affairs Commission of the SAWPY. The discussion began in the № 94 of the „R. of International Affairs“ of March 1, 1954.*

THE questions which Benedikt Kautsky presents under the common title „Problems of Democracy“, actually disclose a deep and well known problem which has long existed in the workers' movement, i. e. the problem of the process of thought, attitude and theoretical standpoint regarding socialist development, on which the practical conclusions and activities of the members of the socialist movement are based. After following the discussion on „problems of democracy“ and having analysed certain passages in the works of Benedikt Kautsky the reader must immediately raise the question of the author's standpoint when writing on these problems. The answer to this question is unequivocal because one can only write from two alternative viewpoints in this matter: either from the position of reconciliation with the extant social system, or from the position of the struggle for socialism and new social relations. It is immediately obvious that the author of „Problems of Democracy“ essentially adheres to the former standpoint, i. e. the standpoint of reconciliation with the extant social system.

This is evident both in the work in question and in a series of other writings by the same author, which complete the picture of his way of thinking, and his attitude towards the process of social development and the struggle for socialism. In this, as well as in many other articles, Kautsky confronts East and West, while forgetting to confront the struggle for socialism with the problems that prevail within both the eastern bloc and the western democracies. It is therefore no wonder that Kautsky regards the people's and socialist democracy exclusively from the standpoint of the relations and the situation created in the Soviet Union and the countries of the Eastern bloc, and not from the standpoint of the necessity of struggle for the achievement of true socialist relations. Therefore, when Kautsky approaches the problem of democracy, he views it from an abstract point of view, as isolated from life, economic relations and the economic basis of society. This attitude cannot even be set off by a special chapter entitled „Democracy in Enterprises“ because one gets the impression that the latter is a species of artificial grafting. We know that there is no such thing as abstract democracy, that democracy is always concrete, and that it is invariably the result of specific economic conditions. Kautsky says: „By its very conception

democracy precludes the rule of one class, except in cases when the latter represents the majority of the population, which has largely adopted a specific regime. This has never been the case in history so far, so that real democracy has always meant the collaboration of several classes.“ Kautsky is evidently a supporter of class rule, but he obviously confuses the concept of rule by one or more classes. In every society one specific class is the exponent of power, and the bourgeois society is no exception. Bourgeois democracy also represents the rule of one class, and is also a manifestation of class rule, although this does not necessarily preclude the possibility of certain forms of collaboration between the classes. This does not mean that the proletariat actually shares power with the bourgeoisie through its parties or organizations, even though it may cooperate with the latter, as power derives from the economic basis of society and belongs to those who own the means of production. In „Principles of Communism“, Engels pointed out that democracy would be useless for the proletariat if the latter should fail to use it as a means for the implementation of measures which would deeply and immediately affect private ownership. Evading the essence of the fight for socialism, as well as the essential foundation for the development of democracy — this being primarily the ownership of the means of production — Kautsky inevitably dwells at length in the realm of abstract ideas and formal logic, and thus is unable to emerge from the framework of the present bourgeois democratic social system. Hence we have his definition of democracy, which he reduces to freedom of association and the press, free and universal franchise, as well as the free creation of political parties. On the basis of such an assertion, having further isolated the economic basis on which society is built, one must inevitably reach the same conclusion as Benedikt Kautsky on the essence of democracy. It is natural that Kautsky, having dealt specifically with the problem of democracy, should deal with the problem of power in a like manner. It is clear that the problem of power is one of the fundamental issues in every revolution. But there are also differences which must also be borne in mind if one does not wish to deal with the problems of democracy merely from an abstract point of view. In a bourgeois democratic revolution, the question of power, as well as the problem of adapting authority to the extant economic basis, is of paramount importance. In socialism power is only an instrument for the change of the economic basis of society, so as to facilitate the development of socialist relations. Kautsky, without any reason, wishes to represent his views on the essence of democracy as „formerly being the common property of socialists, marxists, men-sheviks and bolsheviks,“ while adding truthfully that all socialists strive for the maximum democracy. Scientific socialism has unequivocally revealed the essence of democracy by its analysis of the bourgeois democratic economic relations, and the social super-structure, which also includes the bourgeois democratic mode of government. As for the assertion that all socialists should aim at the maximum democracy, for conscious socialists this is not only a matter of aiming, but a question of a deliberate and active struggle for such a social system, or to be more precise, for a socialist social system, in which full democracy will be able to develop freely.



In the light of all this, it is also necessary to consider the question of the dictatorship of the proletariat, on which Kautsky's observations are partially correct. The dictatorship of the proletariat can only be interpreted as an instrument for the realization of the maximum democracy, and as a defensive measure of the authority created by the dictatorship against eventual attempts at the restoration of the old society. It is an established fact that every authority which wins a civil war can only be a dictatorship, but this immediately raises the question: in what way the dictatorship will develop in the future? History offers us two examples. One trend of development is the coordination of individual and collective interests, the orientation of development towards the constant affirmation of socialist relations in economy and economic development in general, with the parallel suppression of all anti-socialist tendencies which accompany such a process, including the tendency of bureaucratic degeneration. The second example is the disguising of anti-socialist tendencies under the slogan of dictatorship by and on behalf of the proletariat, and the ultimate victory of these tendencies, veiled in socialist phrasing, over the actual interests of the proletariat. Writing on the dictatorship of the proletariat, Lenin stressed the essence of its development: "The dictatorship of the proletariat," declared Lenin, "is not merely violence against the exploiters, and it is not even essentially violence. The economic basis of this revolutionary violence, the guarantee of its vitality and success, lies in the fact that the proletariat, as distinct from capitalism, represents and creates a higher type of social organization of labour. Here lies the essence, the force and the guarantee of the inevitable complete victory of communism". It is in this light that one should interpret and analyse the Marxist classics on the Paris Commune, which was manifestly a form of dictatorship by the proletariat. This characteristic and its real socialist meaning lose their value when limited, as in Kautsky's work, to the fact that the Paris Commune actually represented a fully democratic institution with general franchise and a bourgeois opposition. The socialist essence of the Commune was expressed in the economic instruments and laws enacted by the Commune for the organization of the new social system. The decrees of the Commune, in which we find the initial forms of workers' councils and workers' self-management, are the most eloquent witnesses of this. The socialist character of the Paris Commune is derived from the nature of its authority and the fact that the Commune raised bourgeois and economic democracy to a higher level.

The attitude of Benedikt Kautsky towards the October revolution and the personality of Lenin is yet another matter. It is possible to disagree with Lenin's views — it is also possible to reject him completely, as is obviously the case with Kautsky, but today at least, thirty years after his death, one should be able to survey Lenin's work with greater calm and less agitation. Lenin should not be studied only in the light of the events which took place after his death. A serious scientific analysis should reveal what and how much he had achieved while he was still living, and what he personally predicted regarding further developments in the Soviet Union. According to the logic of Benedikt Kautsky, Marx and Engels are as much to blame as Lenin for these events, although it is obvious that neither they nor Lenin could rise from their graves and advise the workers' movement what to do in every concrete situation, all the more so as Lenin, as well as Marx and Engels, often ridiculed those who made recipes "for the cuisine of the future". Kautsky writes: "The year of 1917 offered him (Lenin, — V. Vlahović) a unique historical opportunity, offered him the power which he craved all his life". Anyone who has studied Lenin and his work seriously will disagree with this allegation, which is both arbitrary and false. To accuse Lenin of having yearned for power all his life not only implies failure to understand the entire process of development which gave birth to the October Revolution, but is also to misinterpret Lenin's role in these events. Such logic leads the author to the irresponsible identification of Lenin's conceptions of the role of the proletariat in the new state with the ideas of the enlightened despotic rulers of the 18th century. This is yet another result of the mechanical and arbitrary comparisons and formal logic of the author. Ignorance of the events connected with the October Revolution is further shown in the way Kautsky interprets the establishment of the Soviets, and the menshevik and bolshevik attitude towards these institutions. In his book written in 1905, Lenin clearly realized the importance of this form of organization as an instrument created by the working masses in the struggle for new social relations

and a new social system. It is impossible to interpret the historical process and development of so important an event for the workers' movement as the October Revolution from the standpoint of hatred of Lenin, which the author does not even attempt to conceal. It is only through such a biased attitude towards Lenin that one can interpret and explain Kautsky's attitude towards the rebellion of the Kronstadt sailors, and his "neglect" of the fact that this happened at a time when the armed forces of many countries intervened against the authority created by the October Revolution, and that the Kronstadt rebellion was closely connected with this intervention.

I am fully aware that Benedikt Kautsky will not agree with me in my views on Lenin and his place in the workers' movement, but this will not in the least affect objective truth, regardless how Kautsky or I, or anyone else may regard this problem.

Let us now abandon the discussion on Lenin, and turn to other questions.

In "Forms of Democracy" the author gives a cross section of the process which marks the creation of a state and the development of democracy, but this exposition, although essentially correct, also contains certain insinuations regarding developments in the Balkans, and in the East in general. Thus the impression left by this chapter leads one to wonder whether the countries which were once under Turkish or Mongolian rule are ripe for socialism and socialist development. There are several theses in this work which are largely inspired by the works of Engels and Karl Kautsky, which deserve to be reviewed briefly: The author is right in stressing that, "It was only after the birth of a limited democracy, but a democracy no less, that the working class was capable of developing and fostering its organizations, which in their turn helped it to achieve greater political influence and a higher level of natural well-being". It would have been interesting if the author had dwelt in more detail on the problem of limitation of democracy under capitalism and its manifestations, i. e., if he had explained whether these limitations are restricted, as stated subsequently, only to economic enterprises, or if these limitations also prevail in the so-called classical democratic forms. This would be all the more interesting as the author asserts that "a socialist society will be capable of accepting such forms of (bourgeois — V. Vlahović) democracy without any essential changes". These forms appeared parallel with the existence of classes and class struggle, and it is consequently clear that the forms of democracy in a socialist society, whose development imposes the abolishment of classes and class struggle, must be different, although it is obvious that all the positive features of the old society should also be retained by the new socialist society. This is why the assertion which denies the necessity of socialist democracy from the formal point of view is absurd. It is evident that the new society must devise new forms which will correspond to the economic basis on which it is being developed. The author obviously confuses two concepts: the concept of parties who appeared and developed within the framework of the capitalist social system, and the concept of the political association of people in the socialist society, which will not develop according to old prescriptions and forms inherent in bourgeois democracy. Therefore the allegation of the author that "it is impossible to see what the transition from capitalism to socialism could change in these forms", sounds very odd to us. "Any attempt at achieving these changes by means of a so-called socialist democracy can only result in the upsetting of such a democracy". People will associate in socialist society according to an entirely different criterion than that which prevails in the capitalist social system. They will associate in accordance with the interests of socialist development and not according to the law of "homo homini lupus", or in the interests of corruption, exploitation and oppression. To affirm that there is no need to change the present forms of democracy means to be unable to grasp the process of development, or to deliberately advocate the preservation of the present social system, which is incompatible with socialism and the socialist way of thought.

Kautsky further asseverates that democracy does not recognize any "monopoly of power", while such a monopoly is fully apparent in capitalist society. Private ownership steadily increased its monopoly over the means of production, transport, the credit system and concentrated the management of these means in the hands of an ever smaller number of capitalists who promoted their own private and class interests, and thus created economic and social conditions which have become a threat to peace and the de-



mocratic freedoms achieved by the working class through its persistent struggle. The great monopolies did not conceal their sympathies for the fascist and nazi regimes and dictatorship in the least, they almost invariably financed reactionary movements, frequently collaborated with fascist imperialists, and supported terrorist measures against the workers' and democratic organizations. It is therefore no wonder that a strong movement originated in most socialist parties during the war, and even more so in the post-war period, with the objective of destroying the economic, and consequently also the political power of the monopolies, or, in other words, of crushing the „monopoly of power“ maintained by certain groups in capitalist society. Hence the problem of nationalisation is closely connected with the aspirations of the working class to create more favourable conditions for the development of the socialist forces and the victory of socialism by means of crushing the monopolies. Most programmes of the European socialist parties foresee further measures of nationalisation and the strengthening of democracy in economic development. In this connexion one should particularly mention the new programme of the Labour Party, the programme of the Norwegian Workers' Party, which was drawn up after the autumn elections in 1953, as well as the struggle in Germany itself, which has been going on for several years already, over the question of nationalisation and the right of the workers to participate in the management of economic enterprises. The Swiss socialist party also advanced similar demands in 1943. Hence the problem of ownership of the means of production — ownership in its classical form, or in its more modern, state-capitalist form — was and is the crucial problem in the struggle for socialism. The example of the Soviet Union only confirms that state-capitalist management of the means of production, apart from its inability to resolve the problem of socialism, hinders revolutionary development and leads to such phenomena as those which characterize the situation in the USSR and the other countries of the eastern bloc.

Kautsky declares: „The Russian soviets are an example which reveals how an institution, democratic in form can, not only be entirely deprived of its essence, but even converted into an instrument of dictatorship.“ It is true that the institution of the soviet has been deprived of its essence, but the gist of the problem is whether such and similar institutions, created by the working class in the fight for socialism, must necessarily be deprived of their essence. Writing on the Soviet authority, Lenin also remarked the following: „The Soviet authority offers the possibility of transition to socialism. It offers the possibility to those who are oppressed to rise, and to an ever greater extent take the entire government administration, economy and production into their own hands“. (Lenin, Vol. 29, page 225). It is also necessary to point out that Lenin uses the expression „offer the possibility“ and does not affirm that this possibility is definitely insured. It therefore ensues that one should not oppose such forms of authority as those created by the October Revolution, because the possibilities it offered were not utilized. The example of Yugoslavia indicates how a revolution can benefit by similar institutions, and use them to a great extent for the development and growth of socialist relations. Kautsky is evidently against every „monopoly of power“ even that which would lead social development towards the realization of socialist social relations. He writes: „Democracy does not recognize any monopoly of power“. It is apparently worth while to remind the author of Engels' work „The Origin of the Family, Private Property, and the State“, a work which Kautsky himself used in Chapter II of his work, when he spoke of the forms of democracy. In this work, Engels clearly showed that every state with private ownership of the means of production and with the rule of capital, however democratic, is no less a machine in the hands of the capitalists by means of which they hold the working class in submission. It is unnecessary to add that even the most democratic and free bourgeois state has always succeeded in creating and maintaining a system of authority which primarily safeguarded and protected the vested interests of the capitalists and the wealthy. It is therefore natural that most government officials have always been recruited among the capitalists and the rich. As long as there is private ownership over the means of production there can be no equality of rights. There is no equality of rights between the capitalist and the worker, the rich man and the poor man, the well-fed and the hungry. State capitalist ownership of the means of production has likewise revealed

led the possibilities of exploitation and new forms of oppressing the working people which were previously unknown. Consequently the problem of self-management in economy and society is invested with a particular importance. The experience acquired so far by the working class in the struggle for socialism offers many varied and instructive examples which should enable the present generations to understand socialist development more correctly, and avoid the pitfalls on the road to socialism. It is clear that the final and complete victory of socialism will only be insured after the total abolition of exploitation, the dissolution of classes and class struggle, the disappearance of all political parties, and the withering away of the state. Only then will the time come in which democracy will reach its highest expression, and only then will Kautsky's definition that „in democracy no one except the people themselves can decide what is, and what is not to be done“, be true. This is the democracy of the future, and not the present democracy of capitalist society.

I will now deal briefly with the opinions of Benedikt Kautsky, expressed in Chapter IV, on „Democracy in Enterprises“. It would seem from this article that the author advocates greater democracy in enterprises. Here also, however, one encounters a series of mistakes and wrong opinions. Kautsky urges that new forms of social ownership be sought and devised, but immediately adds: „These forms cannot consist in handing over the enterprise to the workers employed in it. The enterprise does not belong to the workers, but to society as a whole, and the management of the enterprise belongs to this whole.“ Kautsky ignored several things in this connexion. He does not see the necessity of coordinating individual and collective interests in socialism, the need of eliminating the antagonism between the citizen and the new socialist society, or that of harmonizing the interests of local communities and working groups with the interests of the whole. He forgets that the community consists of individuals, and that the individual citizen in socialism not only does not renounce his rights, but that the socialist community gives to every individual citizen such rights as he never enjoyed in the former society. If the individual citizen should renounce his rights and abandon them to society as a whole, it would be possible for certain groups to create monopolies in the name of society, the community, and the working class, and thus betray the interests of the whole. In Yugoslavia we have chosen a different way from that advocated by Kautsky, and we believe that the mechanism created in our country which operates through the workers' and producers' councils, communes, cooperatives etc., represents a major contribution to the development of socialist relations, and best coordinates the interests of the individual citizen and society as a whole, thus insuring society from the victory of capitalist, state capitalist and bureaucratic tendencies.

In his further exposition, speaking on „The Party and the Withering Away of the State“ and „Democracy and the Maturity of the Proletariat“, Kautsky formally adheres to the marxist standpoint, while failing to comprehend the essence of the process which leads to socialism. It is obvious that in these matters also, Kautsky bases his views on the necessity of maintaining the present forms of capitalist society, so that he identifies the argument of Marx and Engels that the future society should not be devoid of all organization with his own conception that these organizations are identical with the present political parties in capitalist society. The organizations which will operate in socialist society, and to which Marx and Engels refer, are something entirely different from the present political parties. Kautsky is right in recalling Marx's derision of those who make „recipes for the cuisine of the future“, and in asserting that Marx was „far more interested in clearly outlining the general trend of development than in dwelling at length on individual phenomena or definitions of future forms of development.“ Kautsky, however, failed to draw the necessary conclusions from these correct premises laid down by Marx, and not only ignores all social developments which took place after Marx, but actually prescribes „recipes for the future“ — although this may sound slightly absurd, — by advocating the continuance of the status quo, or to be more precise, the present social relations and forms of social organization, as created by the capitalist system.

I do not intend to deal separately with the last chapter, entitled „Democracy and the Maturity of the Proletariat“, as my opinion on this question has already been published in my first article „Introduction to the Discussion“. I had already been previously acquainted with the views



expressed by Kautsky, but it is no less odd that Kautsky refuses to understand present events and attempt to explain them in a more up-to-date, scientific, and objective manner. In this chapter the author also alludes to present developments in Yugoslavia and points out that the degree of maturity in the development of democracy and the process of growing up of the proletariat cannot be achieved by „revolutionary impatience“. I do not intend to accuse the author of revolutionary impatience, as it is obvious that his inclinations do not lie that way, but it is no less impossible to interpret the process which is at present taking place in Yugoslavia as „revolutionary impatience“. On this occasion I would repeat what I have already said in my previous article: „All those who mechanically compare democratic development in Yugoslavia with the forms of democracy inherent in the west, abandon the sphere of scientific analysis and immediately become lost in a maze of contradictions, so that, whether they want to or not, they invariably end by defending the bourgeois forms of democracy.“

In his article, „Problems of Democracy“, Benedikt Kautsky proffers some covert criticism of certain forms of organization of social and economic relations in Yugoslavia. It is true that the author, most probably owing to considerations of hospitality, does not mention Yugoslavia explicitly. It is nevertheless sufficient to read his article published in the February issue of „Forum“, in order to understand the allusions and logic which gained particular prominence in „Problems of Democracy“. In this second article published in „Forum“, the obligations of hospitality were, as it seems, no longer binding. It is necessary to call attention to the following passages in that article: 1) „All rumours in connexion with Tito's endeavours to create a Fourth International have gradually ceased. After a short period of vacillation Belgrade launched the slogan that it was not communist, but democratic and socialist, and consequently belongs to the Second International and the Brussels International Federation of Free Trade Unions. 2) It is therefore necessary to bear in mind, regarding the developments in Yugoslavia that the „liberalization“, as it is called by Einsiedel, did not originate from the free will of the regime, but was imposed by economic necessity, and its exploitation by the influential classes of the population. Consequently it will only be continued if this pressure remains effective. 3) The thesis that the regime in Yugoslavia will be invested with a „socialist character“ is unfounded. For the time being, all that is planned in this sphere as a deviation from the Soviet pattern is still only on paper, and it is far more likely that the economic system will again be handed over to the private entrepreneurs, than that the socialist system will be built on the foundations of communist dictatorship. 4) The sooner a satisfactory solution is found for the Trieste problem, the greater the possibility for the development of the internal social forces, and consequently the possibility of real democratization — not on the initiative of Tito himself, it is true — but against his dictatorship.“ The views of Benedikt Kautsky on the problems of democracy, socialism and progress in our country would be incomplete without the four quotations cited above. These passages reflect a deeply hostile attitude towards Yugoslavia and her development, and offer a series of arbitrary and completely false statements, as for instance her alleged attempt at creating a Fourth International, the allegation that she belongs to the Second International, the problem of liberalization, the character of the authority etc.

In my opinion, these quotations disclose a series of non-marxist postulates on the part of the author. Kautsky's interpretation of Marx is far too pedantic and self-opinionated. Kautsky fails to realize the vital feature of Marxism,

— its revolutionary dialectics. Kautsky is obsessed by the development of capitalism and democracy in Western Europe. He seems to have fallen deeply in love with that system. It ensues from his views that only minor rectifications, limited exclusively to the field of economics, are necessary for the immediate realization of socialism. For him the developments in Yugoslavia, (but, for goodness sake, Yugoslavia is a backward peasant country, and the more revolutionary and socialist they are, the worse for Yugoslavia) do not even belong to the category of events which can be called socialist according to their logical development. According to Kautsky it would be normal for the Yugoslavs to revert to the bourgeois democratic forms of government and, after spending several decades under these conditions, effect certain rectifications; and only then would he recognize their right to call themselves socialists, while the Yugoslavs, stubborn as they are, cannot see that they should take the factories from the management of the workers' collectives and hand them over to private owners or foreign concessionaires.

Kautsky is likewise unable to see any difference between Yugoslavia and the Soviet Union. This difference as stated in his article which appeared in „Forum“, „is still on paper“. It is obvious that Yugoslavia does not fit into any of the categories listed in the textbooks from which Benedikt Kautsky has studied social development. It is not a question of denying the value of these textbooks, but attention should be called to the fact that there is no textbook which can foresee all the forms of development in world history. One must turn to practical life for this. Yugoslavia does not belong to any of the categories quoted in the textbooks. She was created under the specific conditions of the international situation during World War II and the post-war period. She also functions in a specific manner among the forces who strive for socialism. This does not suit the doctrinaires in the East and West, and in most cases they are also incapable of understanding it. Kautsky considers that Yugoslavia is not ripe for socialism, that objective economic preconditions for socialism do not exist in this country. Fortunately socialist development does not depend on the views and beliefs of individuals, as it has its own laws, which are independent of the opinion of individuals. One can always resort to quotations from Marx, although lovers of quotations most frequently find those which suit them best, while conveniently ignoring those which do not. I am not a quotations enthusiast, but as they have been introduced already as arguments for or against this or that thesis or conception, I would wish to recall Marx' letter to Engels written, almost a 100 years ago, on April 16, 1856, in which Marx expressed the hope that the peasant war in Germany would, — by creating a suitable revolutionary situation, — join up with the workers' movement. Marx stressed the necessity for maximum flexibility in times of revolution, while such revolutionary flexibility, and even such possibilities which Marx conceded to Germany almost a century ago are being denied us Yugoslavs, under the pretext of Marxism. If such is the case, there is obviously something wrong with this particular brand of Marxism.

It would ensue from the entire conception of Kautsky that our armed revolutionary struggle, our fight for power, was unnecessary. We did not listen to such advice, on the contrary, it would be truer to say that we followed the example of Napoleon (although Napoleon was not a Marxist), who declared on one occasion: „On s'engage, et puis ..... on voit“. Thus it proved just as well that we joined the struggle, for we see today that not only have our people benefited by it, but that it has proved to all sincere fighters for socialism that every revolution need not necessarily follow the road indicated by the USSR.



MILUN IVANOVIC

## Agriculture in Yugoslav Social Plan

**C**OMPARISON of Yugoslavia's post war economic development with prewar conditions will reveal, in addition to definite changes in social relations, firstly, that industry has made great strides ahead and, secondly, that agriculture has been stagnating. This is best illustrated by the fact that, according to a rough estimate, industrial production in 1953, as compared with 1939, stood at 203%, and the average agricultural yields in five post-war years (1947—1951), compared with the averages in ten years before the war (1930—1939) at only 100%, and at 109% in 1953.

Such movements in these two economic branches were not an accidental phenomenon but a result of the conditions under which Yugoslavia began to develop her economy after the liberation. We all know that without industrial development no conditions can be created for the development of agriculture; it cannot be either supplied with the necessary equipment for the advancement of production or relieved of the surpluses of manpower, which still prevail in Yugoslavia's rural areas. If we look up conditions in the rest of the world, we will find that agriculture has reached the greatest stage of development in industrially advanced countries.

If agricultural production has been stagnating in the post war years, it does not mean that nothing has been done in Yugoslavia for the development of agriculture in that period. If we make a comparison with the pre-war conditions, bearing in mind that 50% of agricultural resources, buildings, equipment and livestock, were destroyed in the war, and that in the post-war period Yugoslavia had three years of drought (1946, 1950, 1952) we shall see that considerable progress has been made in agriculture also: but despite all that, the fact is that the present level of development of the productive forces in agriculture, and the volume and structure of its production are the main obstacles to a more rapid development of the country's economy as a whole.

The changes which have taken place in Yugoslav economy caused significant changes in the structure of the population. Comparing the figures of the 1953 census with the estimated population structure in 1939, we see that the total Yugoslav population in that period increased by about 1,200,000 or 8%, that the agricultural population decreased by 1,500,000 while the non-agricultural increased by 2,700,000. No matter how the method of census taken in 1953 differed from the methods used in earlier censuses, the fact remains that the agricultural population decreased from 76.3% to 61.7% of the total population<sup>1</sup>.

This means that demands for agricultural products have been constantly growing. As a result, agriculture influences our foreign balance of payments, because the pre-war volume of agricultural exports had to be more than halved, and lately, due to the droughts which hit the country, Yugoslavia had to import considerable quantities of grain and fats. Furthermore, it must be borne in mind

that the consumption of food articles has been greatly increased in the village, itself, for the agricultural producers now have wide opportunities of increasing their incomes through seasonal work at industrial and other public undertakings, but particularly in transport.

Yugoslavia is in an exceptionally favourable position to develop her agriculture. She has many kinds of soil, and many different climatic conditions, which make it possible to grow a great variety of crops, many of them very profitable. At present agricultural capacity, as far as land is concerned, is at pre-war level, but it is being exploited differently. The area of ploughland is as large as before the war, but the area covered by orchards has been increased by about 25%, vineyards by 20% and meadow-land by 4%. Considerable changes have also taken place in the crops sown. Wheat and other grain now cover only 89% of the area they used to cover before the war, but the areas under industrial crops have been increased by 100%, under vegetables by 9% and under forage plants by 85%. This shows that a certain intensification of agricultural production has taken place. But as far as the application of means for agricultural production is concerned, no essential changes have been made. Compared with the pre-war averages, the yields of wheat per unit area have increased by 6.5%, of potatoes by 20.3%, rye by 11.6%, while the yields of maize are still lower by 4.8%, sugar beet by 9.5% and tobacco by 1.3%. In the same period, the area of orchards was increased by 24%, of vineyards by 34%. These increases, however, have not yet made themselves felt in production, since they were made in the last two or three years, but in the future they will certainly contribute to the national output. The greater success has been shown in livestock breeding, for it was this branch of agriculture that suffered the greatest damage during the war. As compared with 1931 the number of cattle is today 2% larger, but the number of horses has decreased by 15%, pigs by 11%, sheep by 8% and poultry by 3%. The number of agricultural machines has also been increased. Today Yugoslavia has 314% more tractors than before the war. The number of threshers has been increased by 1%, sowers by 53%, reapers by 87%, while similar increases have also been made in the number of all other machines.

In assessing the movements in individual branches of agriculture one must bear in mind that the compulsory deliveries of agricultural products to the state were abolished two years ago, and that the farmers have been freed of all other administrative measures, so that a free agricultural market has been formed. On this market the prices of agricultural products are now set in accordance with the new conditions, so that, compared with 1938, the prices of livestock and livestock products are now little higher than those of other products. That is, in our opinion, a favourable tendency towards further developments in stock breeding and towards a general intensification of agricultural production. The advances in industrial production and the stagnation in agriculture enabled the farmers to increase their earnings on the urban market in 1953 by about 10% above what they made in 1938. Taking into consideration prices of industrial products and services, the taxes and payment of debts on the one hand, and prices of agricultural products on the other, the farmers are in a much better situation today than they were before the war.

<sup>1</sup> In earlier years the censuses were autoregistrations of the population, so that the agricultural population included all those dependent people in the rural areas — housewives, students who lived in the villages, and the like. In 1953 such people were not included in the agricultural population.



All this has been emphasized so as to make the changes which have been taking place in Yugoslavia's economic development since last year clear. In 1953 the course of development in many economic branches was considerably slowed up. Without neglecting industry or the completion of already started key projects, steps were taken to increase investments in agriculture, food industry projects and transports. Thus the funds invested in agriculture in 1953 were 20% greater than those in 1952. To that we must add that subsidies granted for the purchasing of agricultural machines and implements, fertilizers, crop protection chemicals, fuels and lubricants, fishing equipment, beehives and other equipment, amounted in 1953 to 13,800,000,000 dinars, as compared with 5,500,000,000 in 1952. In view of the fact that repayments were made at the almost same level in percentages of the selling prices of imported and home produced goods, it becomes evident that the farmers spent two and half times more on agricultural production in 1953 than in 1952. Furthermore, we must mention that the prices of industrial products were 14% lower that year than year before. All this had the effect of urging the farmers and their organizations to try to increase their production. And yet advancement in agricultural production has not been developing fast enough to keep pace with the demands for agricultural and food articles, which are increasing even more rapidly.

The social plan for 1954 pays much greater attention to the new policy in economic development than was the case in 1953. Owing to the expectation that industrial production, which made marked progress last year, will continue to develop at an even quicker pace in 1954, and that such increases will bring about further changes in the structure of the population, and with that greater demands for food articles as well, it has been necessary to make efforts to develop agriculture, food industry projects and transport, and to provide greater investments in these economic fields.

According to the provisions of the federal social plan, federal investments in agriculture this year will be 140% greater than in 1953. In 1953 the federation granted 6,400,000,000 dinars for the same purpose. This year credits to the organizations of the agricultural producers will be granted on more favourable terms than to producers in other branches of production. In addition to credits to the producers' organizations — cooperatives and agricultural enterprises, which will amount to the figure given above, the federal plan provides for a sum of 2,300,000,000 dinars for credits to individual farmers, who will be able to get credits for the first time this year, since no possibilities existed earlier for obtaining such credits.

The federal plan also sets aside a sum about 2 billion dinars to be invested in irrigation work in Macedonia and Vojvodina (Danube—Tisa—Danube canal), as well as an additional sum of 6 billion dinars to be granted as a subsidy for purchasing agricultural equipment from industry.

But these federal funds should not be considered as the sole source for the crediting of agricultural production. What is also important is the fact that social investments are going in ever greater amounts to agriculture. In addition to the above mentioned funds, the federal plan also provides for a sum of 6,600,000,000 dinars to be invested in food industry projects, particularly in the construction of silos, cold storages, mills, and grain silos for which equipment has already been received through the technical assistance programme. These investments too will contribute to the more rapid development of agricultural production, and particularly to the efforts to store agricultural products, which, due to lack of refrigerators, storage space and good packing, are reaching the market in far smaller quantities than they should. As is seen, investments will not only be made to increase production, but also to ensure the greatest possible use and preservation of the present products, especially those figuring on the export lists, because, under present conditions in Yugoslavia, agricultural products should continue to be the fundamental factor, particularly in trade with the western countries.

Last year the people's republics and the local organs invested about 8 billion dinars in agriculture. This year these organs, though their social plans have not been approved yet, will, it is expected, give as much attention to agriculture as the federal plan. Accordingly, agricultural investments will this year be as large as resources allow. But in future agricultural investments will increase from year to year, so that it will be necessary to take steps to assure that agriculture become able to absorb all the means the country's economy can set aside for investments in the rural areas.

Then plan provides for the granting of special facilities to the new agricultural enterprises which were set up after the passing of a law on the land fund and reorganization of agricultural cooperatives. Experience in the post-war period with large agricultural enterprises has shown that large farms are more effective for the setting up of new social relations in the rural regions, for the increasing of production and the creation of market surpluses. Therefore, without any discrimination against other agricultural producers, the plan provides for certain facilities to large farms, such as temporary favourable terms in payment of debts, in paying interest on the means of production, on turnover and the like. In agriculture, unlike other economic branches, production begins as soon as the means of production — the land — is acquired. It has been shown that the formation of large farms and the organizing of production on them is a lengthy process, and that large farms cannot be equipped and developed in a short time, even when they are made up of small holdings with all the necessary resources. Therefore it is necessary to develop such production organizations only gradually, firstly because it is impossible to supply them quickly with the needed buildings, livestock, machines, repair and processing shops, and with everything else such farms need. As a result, such farms must be given certain economic facilities, until they have been fully constructed.

The next important measure provided by the plan is the granting of short-term credits to agricultural organizations and agricultural producers, on favourable terms. The constantly developing industries producing equipment necessary for agricultural production demand fundamental changes in the supply of their products to the farmers. Farmers usually sell their products between August and November. And they buy machines, fertilizers and crop protection chemicals, the production of which has been increased many times, when they are needed in the process of production, that is, mostly in spring. Therefore it was necessary to enable the producers, by giving them credits, to purchase these necessities in the season when they are used and to repay the loans in the season when they turn their products into cash. The increases in both the investment and in the turnover credits to the agricultural organizations and individual farmers imposed the need of granting credits also to the cooperatives, putting them thus in a different position from that in which they were before when they were left to finance themselves as best they could.

With the expansion of the system of short-term credits for the purchasing of production material and industrial goods, the system of contracting sales between industrial and trading enterprises and farmers has also been expanded. This system was introduced before the war, when it was applicable to certain kinds of industrial crops. And since the war it has produced great results. It assures the farmer that he will be able to market his products at fixed, or at market prices, according to his choice. Besides that assurance, he gets advances in seed, fertilizers and crop protection chemicals without paying any interest. He can also get advances in cash amounting to 20% of the value of his crops at a given time. It is noteworthy that this system of contracting sales has contributed to the advancement of the production of industrial crops in Yugoslavia. It is expected that, with the improvement the system brings in agrotechnical matters, such as, for instance, the better choice of seed, the use of fertilizers, manure and crop protection means, and deep ploughing, it will be expanded to cover also wheat and other important agricultural products. It is probable that the fruit and vegetable processing industries will also adopt this system. The slaughtering and dairy industries, too, will introduce a similar method of negotiating contracts for supplies of livestock and milk. If the contracting system is successfully expanded to a wider number of agricultural products, the agricultural producers will be in a more favourable situation, particularly in the obtaining of short-term credits. So far, the growers of industrial crops have never had any difficulties in obtaining short-term credits.

Another important step in the development of agriculture is the setting up of a free market of all industrial goods, particularly those needed for investments — cement, timber and heavy engineering products. After the initial period of the administrative distribution of these articles, they did not circulate in sufficient quantities in the market, so that the rural areas had great difficulties in obtaining them. This year there will be about 40% more agricultural machines and about 30% more home produced and imported fertilizers than last year.



In addition to the increases in the equipment necessary for agricultural production and better supplies of other investment goods, the agricultural producers will benefit also by the fact that the volume of industrial production will this year be increased by 17% and that the prices of industrial products used in the rural areas will be cheaper than in earlier year. On the other hand the prices of agricultural products will be 3% higher, although Yugoslavia has imported 74,000.000 tons of wheat and 3,100.000 tons of fats. Accordingly, the earnings of the farmers in their trade with the urban areas will be increased by 15% as compared with 1938, which, no doubt, will stimulate a further increase in agricultural production, and so enable a greater consumption of industrial goods in the rural areas. This is of particular importance to Yugoslavia, where at a rough estimate, about 75% of the agricultural holdings are in the hands of individual farmers, and where large farms like those in Western Europe or the United States, are rare exceptions. Only the large Yugoslav agricultural organizations can be compared with the West European and American farms, with the difference that their production is not as specialized as in the West.

Another important measure for the agricultural producers is the change in the taxation system, which is provided for by the social plan. Under the old system the real yearly earnings of the farmers were taxed. But that system did not correspond to Yugoslav conditions. In the first place, it was hard to implement it with about 75% agricultural holdings in the hands of individual producers. The low standard of literacy and a complete lack of evidence about the farmer's economic activities prevented a correct application of the system. Therefore that system was not successful, and revenue commissions were unable to assess the earnings of individual farms. And so there were cases when two almost identical holdings had different obligations towards the community. The new taxation system takes the size of the holding as a basis for computing the earnings of individual producers. On the basis of the size of the farm, the crops grown, the quality of soil and the economic position, the average earnings of all producers of a given area are computed. In this way all producers are placed on the same footing. Accordingly, the farmers will be paying taxes on their average and not

real incomes, so that they will be stimulated to work harder, use better methods of cultivation and so increase their earnings, for however greatly they increase their incomes, their taxes will remain the same. This system has also a contrary effect, that is to say, it hits all those who produce less than the established average, and forces them to increase their efforts to reach at least the average yields. The next important step, which gives a still greater stimulus to the agricultural producers, particularly to those who are producing market surpluses, is that, though the system continues to rest on the principles of progressive taxation, 40% of the total taxes will be payable according to the proportional system, while the remaining 60% will be payable in accordance with the system of progressive taxation. Finally the total amount of taxes is also important to the agricultural producers. Instead of 26,500 million dinars, which they paid in taxes in 1953, they will pay this year 31,500 million dinars. This is due to the fact that of the 2,600.000 hectares of land which formerly comprised the total area of agricultural cooperatives, about 2 million hectares were returned to individual producers after the reorganization of the cooperatives, so that this increase in the revenue from agriculture is only the result of the increased number of individual agricultural tax payers, since the cooperatives paid only insignificant taxes. Furthermore, the new taxation system leads to a redivision of taxes according to individual regions, because it is based on the real conditions of production.

Another important point in the social plan is the introduction of ground rent, payable by all users of public land. This, together with other instruments of the social plan, will have a beneficial effect on savings and on the exploitation of land. The ground rent amounts to 6% of the yields produced by land rented by economic organizations. This rent will, undoubtedly, force those who wish to build to choose, whenever possible, poor and unfertile land.

The development of the agricultural market and the interest the agricultural producers displayed in 1953, during the first six months of which the consequences of the 1952 drought were still felt, give a firm guarantee that the basic provisions of the social plan for 1954 will be realized, and that the development of agriculture will be speeded up.

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JEAN ROUS

## Indo-China and Nehru's Mediation

DANIEL Meyer's interpellation, in which this Socialist deputy asked the Government to adopt Prime Minister Nehru's „cease-fire“ proposal at the Geneva Conference, has clearly indicated the best way of putting an end to this „dirty war“.

As far as I am concerned, these debates in the Assembly have strengthened my belief that the best way to achieve peace, or at least to suspend hostilities, would be to invite the mediation of a power which is absolutely neutral in this matter, such as India, for example.

This idea of Nehru's mediation has a history of its own, and I beg to be allowed to recall the circumstances, giving them only an apparently personal aspect, as my position as a journalist and activity against imperialism in the Congress of Nations gave me an opportunity to be, as it were, a witness of the development of this idea.

On October 20, 1949, feeling, like everybody else, that there was a danger of the Franco-Vietnamese war turning into an international conflict (at least on the political plane) unless it were quickly terminated, I wrote an editorial in „Franc Tireur“ proposing Pandit Nehru's mediation, with the definite aim of bringing about the cessation of hostilities and paving the way for Franco-Vietnamese talks.

I must say that I proposed this only after I had made sure that the Indian Prime Minister would agree to it. He was then stopping in London on his journey back to New Delhi after attending the UN session. A mutual friend, who was in touch with him, informed him about my idea and sent me the following reply:

„Nehru agrees in principle, provided of course that the interested parties also agree“.

So I turned to the „interested parties“. At that time it was still quite easy to get in touch with Ho Shi Min. His reply reached me very soon. It was on these lines:

„I am prepared to accept Nehru's mediation, provided the French Government also announces its assent“.

A kind of official confirmation of this attitude of Ho Shi Min was also contained in the statement given at that time by the Viet Minh delegate at a press conference in Bangkok.

Wishing to learn the opinion of the French Government on this matter, I approached the then Minister for the French Union through a deputy of his party. A few days later I received the following reply:

„We cannot accept Nehru's mediation, as we are in a serious conflict with him on the question of the French possessions in India. He does not appear to be acting as a friend of France, and would not be able to give all the necessary guarantees for his mediation“.

Nonetheless, this idea of mediation began to gain ground. The Socialist Party, which was then in the Government, was favourably disposed towards this idea. But there was a plan to torpedo it. This was done in an unexpected manner. The text of a report, allegedly sent by Nehru to the British Government, was published in the papers. In this report the Indian Premier clearly declared himself in support of Ho Shi Min. Some friends of Viet Minh rejoiced rather naively at this evidence of Nehru's attitude. But the opponents of mediation turned this document to advantage, saying: „There, you see — it is impossible to accept the mediation services of a man who has declared himself so definitely in favour of one side“.

After investigation, it was established that Nehru's report was a fake. Such a report had never existed. India's official attitude favoured the complete independence of Vietnam, without recognizing either Ho Shi Min or Bao Dai. Quite apart from this, it would be difficult to imagine the Prime Minister of a great country stating in a report to his partners in the Commonwealth anything contradictory to what he was doing and saying in his official capacity. Be this as it may, the classical manoeuvre of using forged documents, temporarily served its purpose, and the idea of Nehru's mediation was jettisoned for the time being. In the meantime the conflict developed on the international plane. Each of the warring sides was supported by its own bloc. Communist China reached the Vietnam border and recognized Ho Shi Min, while America openly sided with Bao Dai.

„Indirect“ intervention was given an official character. The supporters of direct talks found it increasingly difficult to establish contact. But those who justly consider that direct negotiations provide a better medium than the international scene which is suitable for putting all kinds of pressure, clearly realized that a mediator was indispensable for establishing contact, and that the only possible mediator was Nehru. While on his brief tour in Europe, Nehru told us that he was quite prepared to play this role, should the interested sides consider that it would produce good results. Recently he made an important statement to that effect to the paper „Franc Tireur“. His appeal for a „cease-fire“ is in line with this view. On the other hand, something new has happened — something that is not devoid of interest especially if viewed in the light of what has been said: for the first time a French Government has welcomed the „noble appeal“ of the Indian Premier.

„But“ — as it is pointed out in Paris circles — „it is not a question of mediation. Nothing of the kind is being proposed“.



Meanwhile, should a mediator propose himself? Or should he rather, be „elected“ by the interested parties?

Active diplomacy should give the initiative, and propaganda should also be engaged to place this question on the agenda. In our opinion, if a wider internationalization of this conflict — a very dangerous possibility — is to be avoided, now is the moment to define the limits of international intervention since such a step has already, rather incautiously, been taken. It would be necessary to restrict international intervention to the role of paving the way for a solution through direct talks. An international

conference should lead to a proposal for the holding of a Franco-Vietnamese Conference, preceded by a „cease — fire“ arrangement. But above all, the person entrusted with the establishment of contact — the mediator who would guarantee an impartial setting of conditions for the „cease-fire“, facilitating their realization and guaranteeing their respect, and who would ensure the application of the truce clauses, to be followed by peace — can be only a great statesman of the Asian world. That man is Nehru.

The mediation of India — national, democratic and independent of blocs, should therefore be accepted.

RADE VLKOV

## Controlled Art or God is Infallible

*„Heroes and gods should not be portrayed when they shed tears and suffer“*

(Plato).

LYA Ehrenburg stated in a recently published article that the writing of a novel and the making of shoes are not the same thing. So far so good, but this statement is by no means new although it indicates the tenor of the article. A certain section of the foreign public, however, hailed this article as a first class sensation. There are various reasons for this: Ilya Ehrenburg, one of the official spokesmen of modern Soviet literature published this article in an official Soviet paper. In it he spoke of the necessity of carrying on literary work in an atmosphere of freedom, using long forgotten and banished terms and speaking of that freedom which disappeared from the Soviet scene more than twenty-five years ago.

Some benevolent commentators on world affairs, who are not experts on current Soviet affairs, were only too eager to ask: is this an individual act of courage or an outburst of the long-suppressed conscience of the writer, or is it perhaps the beginning of a more liberal era in Soviet literature and the fine arts in general, i. e. is this an isolated case, or a symptom, or even an indication of a radical change, etc? These commentators came to the conclusion, not quite unjustifiably, that this is not an isolated case. They were brought to think so after reading Ehrenburg's attacks on the idea until then held sacred, that authors should elaborate the themes in which the Party and the State are interested (the Volga-Don Canal, the development of the textile industry, the struggle for peace — these are the themes quoted by Ehrenburg himself). These commentators laid special emphasis on Ehrenburg's claim that „the author does not write his books just because he happens to be a member of the Soviet Union of Authors“ but because his „inner motives“ prompt him to do so. Such changes in the Soviet Union are not the result of an accident. These commentators have been led to think so, as the subsequent issues of the paper did not contain any self-accusation on the part of Ehrenburg, or any declaration from „above“.

The article written by Ehrenburg was followed by another, similar article. Aram Hatchaturian, the composer, published an article in the periodical, „Soviet Music“ entitled „Creative Courage and Initiative“. He was strongly against works which lack individuality (attacking such musical works as „The Love of the Soviet Land“, „The Struggle for Peace“, „The Brotherhood of Nations“ — these works were named by Hatchaturian himself). In this way he launched a devastating attack against the program proclaimed by Zhdanov, inspired and approved by the Party

and State apparatus, setting forth the obligations of Soviet writers, artists and musicians.

No, these articles by Ehrenburg and Hatchaturian were not written by accident. It is not the result of pure chance, either, that the authors of these two articles on freedom of artistic work are Ehrenburg and Hatchaturian. Ehrenburg is better known to the Western public than any other modern Soviet author; he was a Russian political emigrant and for years was a patron of the Parisian Café „The Rotonde“, in Mont Parnasse. Hatchaturian, with Shostakovich, is the Soviet composer best known outside of the USSR. It is very likely that the task of writing these articles was specially allotted to the well known author and to the well-known composer at the time of the first anniversary of Malenkov's rule. The most probable aim of these articles is to herald the coming of a „new era“ in Soviet fine arts. After „the new course“ in Party politics, in agriculture and in foreign policy, it was natural to expect that the same thing would happen in the field of fine arts.<sup>1)</sup>

There is one point to remember: Ehrenburg and Hatchaturian are not for internal consumption. Their names are primarily for export: for the foreign public. Their mission has all the characteristics of a foreign propaganda drive: The practical importance of their mission should be measured in terms of this propaganda.

Careful reading of these two articles will convince us that the authors are, in fact, pleading for *freedom of artistic motives*<sup>2)</sup> and not for *free presentation of artistic truths*. We are confronted with the problem of artistic freedom within a system of the type to which the present Soviet Union belongs. This is a problem worthy of deep study; in a newspaper article only a very broad outline of this problem can be presented.

<sup>1)</sup> We have put the words „the new course“ in inverted commas. Those who underestimate the importance of new events in the field of foreign policy are making a mistake, but the same holds good of those who consider these events of greater importance than should be attributed to them. The Berlin Conference helped us to find out the real extent of this phenomenon. The results of the recent general elections held in the USSR are illustrative of the scope of changes in the field of internal policy and individual freedom: the voting percentages remained the same, so that it seems that the pressure exercised on the population has not been slackened.

<sup>2)</sup> Twenty years ago, the Secretary of the Russian Association of the Proletarian Authors, Averbah, wrote the same: „The subject treated by the author is not important, what matters is his conception of the world“; the author will „fulfil his mission“ even if full freedom of choice of the subject to be treated by him is allowed. We see, therefore, that the „new“ claim of Ehrenburg is, in fact, not new.



Stiff centralistic State organization and the application of ruthless methods in social life are the only things capable of preserving the present privileged position of the ruling group of the Soviet Union. The history of the development of State capitalism and the bureaucratic caste within the Soviet Union, and the history of the oppression of men, and especially of creative artists, are one and the same.

The October Revolution heralded, more than three decades ago, the beginning of a new era and the destruction of the old social order, promising emancipation for all those who hated the old régime. That was the time when the old values were destroyed, a period of great changes, which made life richer and more dynamic than ever before. New men and new creative forces came to the fore. New solutions were sought for everywhere and free public discussion was a means to reach them. The literary activity of that time was just one example of this freedom of opinion and of universal artistic creation and experimentation. Various trends competed with one another: there were symbolists, acmeists, those who struggled for pure proletarian literature, futurists, cubists, egofuturists, imaginalists, and „peasants“: Balmont and Brusov, Maiakowsky and many others — all of them were very active. That was the time when Lenin, speaking of artistic creation, said the following: „Soviet leaders have no intention whatever to prescribe a uniform system or to settle the problem by means of a couple of decrees (these are exactly the things which later became the leading principles of the ruling bureaucracy — author's remark) — there is no room for scheming in the field of fine arts“. The first Soviet Commissar for Public Education, Lunatcharsky, was a guarantee to Soviet artists that the revolutionary authorities would preserve freedom of individual literary work.)

In 1920 „Pravda“ published a letter from the Central Committee guaranteeing complete autonomy to those engaged in artistic work. At the same time, Soviet newspapers and periodicals were full of articles stating the views of different literary groups and fractions. Socialist realism had not yet become the official State policy — the authors wrote freely, having no reason to fear that they might be proclaimed enemies of the people and the State. Prominent Party men were allowed to sympathise with this or that literary group, to show friendliness towards one literary man or another.

Many of those who wished to create a new order became, at that time, the enthusiastic supporters of the film. The „left“ innovators propagated in Moscow and Leningrad a complete separation of the film from the theatre; the „traditionalists“ however, relied on the long tradition of the Russian theatre. The enthusiasm of the young and the experience of the old, among other things, resulted in achievements which made the Soviet film famous. The film „Polikushka“, produced in 1921 by Moskvina with the screen-play taken from a story by Tolstoi, enjoyed great success in 1923 outside the frontiers of the USSR. And American film statistics ranked it among the ten best films of the year. A similar success was achieved by the film „The Maiden's Hill“, produced by Sanin. Eisenstein's and Pudovkin's masterpieces reached a level which was not surpassed in the following thirty years. The Soviet film company produced, from 1925 to 1926, some 18 films, „Mother“ and „The Station Master“ being two of them. (Twenty-five years later, in 1950, only 13 films were produced in the USSR, all of them of very poor quality. The Central Committee commented on the film „The Grand Life“ as the only important event of that year).

The great producers and great films of that period will be remembered as evidences of the creative spirit inspired by the October Revolution. The Party and State bureaucracy are now suppressing this spirit, and owing to this the efforts of the old film workers, Pudovkin included, to produce a good film will be futile, although the present technical resources are much greater than before.

\* \* \*

The death of Lenin, the liquidation of political as well as of all other forms of opposition, the suppression of any creative atmosphere, marked the beginning of the present situation. All these events presaged the beginning of a tragic period — the era of Stalin.

\*) It is worth mentioning that the Commissar allotted to Marc Chagall the task of looking after painters.

It took years to complete this new state of affairs which relied on force only. The champions of this new order, strengthening their positions in the Party, built a network of political and administrative measures in order to subjugate the whole social activity to the interests of their caste. They launched an offensive against the freedom of the fine arts, suspecting their uncontrolled activity. They were of the opinion that this freedom should be abolished, thus removing a potential danger and using the fine arts as a powerful means of propaganda, capable of serving the interests of the caste. The protagonists of such ideas had undoubtedly read Herzen, who wrote „literature is the only platform from which the voice of protest can be heard when the people have lost their political liberties“. Denying freedom of conscience and individual liberties, they allotted to the writers, painters, sculptors etc their duties and functions. In due course, the artists became servants who had to comply with the directives from „above“. A new atmosphere had been created; the uniform „fine arts“ had to stick to the directives; „fine arts“ were created which were identical with the ancient religious dogmas: God can do no wrong; God is the source of all good things and we are the source of all evil things — Stalin can do no wrong, all his concepts are the reflection of objective reality. There were some men who were anxious to oblige; they lived under the false impression that knowledge was bestowed on them by the act of nomination. Universal Party directives replaced creative genius and artistic individuality. The competent authorities solved all problems, — they decided what the painter should paint, what the libretto of an opera should be and what the screenplays should deal with. Little by little all human feelings such as sorrow and joy, all tragic and comic situations, were banished and removed from literary works.

Free thinking was prohibited. In spring 1928, the Central Committee convened a federal conference to deal with the problems of propaganda. A resolution on literature, drama and film was passed stating that „All branches of fine arts should be mobilized to struggle for the fulfilment of and to propagate the First Five Year Plan“. A few months later, the Central Committee issued an official directive to the publishing houses, specifying which books should be published, which subjects should be treated by the authors etc. At the same time, the Russian Association of the Proletarian Authors became the controller of almost all literary periodicals and publishing enterprises, forcing the authors to serve the propagandist aims of the bureaucratic bodies. All those authors who did not follow the Party line were unable to publish their works, but this was not the worst thing which happened to them: they were proclaimed enemies of the people. When the Russian Association of the Proletarian Authors became a powerful organization, disagreeing, in some cases, with the official Party views, it was disbanded in accordance with the decision of the Central Committee of April 4th, 1932. The members of the Association publicly protested against this decision but that was the last public protest of the Soviet writers against the ruthless Party intervention in the literary matters. Two years later the Union of Soviet Authors was founded. As soon as it was established it was inoculated against all possible infections — for the following two decades it was a docile servant of Party and State bureaucracy.

The results of such a policy became soon apparent. Soviet film producers, after thirty years of work, were able to produce only a few good films („The Deputy of the Baltic“, „Tchapaiev“ etc).

Film production became impossible when the censorship began to control, not only the films, but the screen-plays as well. A stereotyped screen-play could not serve as the basis of a good film. Even Eisenstein himself gave evidence of this. The words which he uttered on one occasion sound pathetic: „I am unable to produce a film because I have to submit the screen-play to control. When I was producing „Cruiser Potemkin“ we had to do the job in seven weeks' time, but we were left alone and then the film was submitted to control. The opinion of the controlling body was that the film was a good one and this opinion was shared by the whole Russian public. If only I were left alone to produce, and if they would control the pictures instead of the screen-plays I am a true revolutionist. Instead of relying on me, they are afraid of the screen-plays: they are not able to imagine the pictures, if they were able to do so they would be able to produce my film. The result is that I no longer produce.“

(To be continued in the next issue).



## Enigma in the Zodiacal Sign of Archer

**A**T the beginning of the second half of the 19th century a group of American sailors „discovered“ Japan. This was in June 1853, when Commodore Perry sailed a small fleet into the mouth of the River Edo, not far from Tokyo. Until then the country of the rising sun had been closed to the white man, and to enter the country of mikado was a crime punishable by death. The occurrence referred to, however, meant the beginning of the eventful history of modern Japan in the Pacific. After this first expedition by Commodore Perry, the combined fleets of the United States of America, Great Britain, the Netherlands and France bombarded the Japanese town of Shimonoseki. This was a symbolic shelling of Japan, and all people were of the opinion that Japan was doomed because she yielded to the first guests and merchants from the USA. All were astonished when Japan very soon recuperated and imposed her will on others. As early as 1876 Japan dispatched her first expeditionary force to Korea. Since then the history of Japan has been full of wars, expeditions and sudden acts of aggression against both her friends and her enemies. Since then the history of Japan has abounded in crises, compromises and uncertainties.

Today, Japan is undergoing just another political and economic crisis. According to the old Zodiac calendar Japan this year is under the sign of Archer. The Japanese believe that such years bring luck to Japan. The last year when she was under the same sign was 1942. Then the Japanese Archer ran all over the South Pacific, but three years later he was mortally wounded by bombs dropped on Hiroshima. Many Japanese, who think that the Premier Yoshida has achieved great successes during the last five years, still doubt whether the mythological Archer will be able to bring happiness and welfare to the nation. Political instability and a shattered economy, which survives only thanks to dollar transfusions, — that is the picture of Japan at the beginning of the current year.

### SEAMY SIDE OF „NATIONAL PROSPERITY“

All those who are well informed know that Japanese industry is not depending on domestic resources. Japan is deficient in all sorts of raw materials and is, therefore, forced to import them. This characteristic of the Japanese economy led to many military attacks, victories and, finally, to the defeat of the Imperial Army. Under the present conditions of international trade competition this is the reason why the prices of Japanese products are 30% higher than the world prices of the same products. Japanese imports are far in excess of her exports.

Many people in Japan justly believe today that dollar aid from America in the post-war period saved the Japanese economy from bankruptcy and enabled many Japanese enterprises to survive. This cannot be denied. But the problem is a complex one. It often happens that when a country is being helped from abroad some other factors come into play and their result is more harmful than beneficial. This is what has happened to Japan. The general results are so unfavourable that even some highly placed individuals cannot conceal the fact that the whole plan of industrial reconstruction, which was introduced after the unconditional surrender of Japan and the loss of her colonies and overseas markets, was ill conceived. The production of armaments for Korea was a strong stimulus to Japanese industry, but the fact was that the equipment of the Japanese plants was obsolete. Technical processes of production in most industrial branches have not been modernized, equipment is obsolete, almost antiquated, disqualifying Japan from taking a successful part in the competition for world markets. The economic policy of Japan proved to be wrong, an inevitable result of the fact that economic realism hardly figured at all in the economic plans of the country. In addition to this, national economic independence has been considered almost as a luxury. The result is that the prospects of Japanese economy are ex-

tremely doubtful and its present economic difficulties very grave.

One of the first results of the „policy of national prosperity“ is the desperate state of the country's balance of trade. In 1950, the foreign trade of Japan resulted in a deficit amounting to some 154 million dollars. In the following years the deficit increased enormously and in 1953 it reached a figure almost equal to half the value of Japanese exports in the same year. This implies that in 1953 Japan imported almost twice as much as she exported.

National prosperity „is still a fact which cannot be denied. Not so long ago the paper „Mainichi Shimbun“ wrote that the „national prosperity can be seen, every evening in Tokyo, looking at the luxurious cars parked in front of the exclusive restaurants in the non-residential parts of the town“. And this is the picture which can be witnessed, so the paper says, at a time when many Japanese wonder what will happen to Japanese economy, when her foreign trade stagnates and when the policy of saving is favoured in some quarters.“

It is only fair to state that the Government is aware of the fact that the present national economy rests on a very unstable foundation and is maintained only owing to American help. But, the Government keeps the whole truth concealed in order to preserve the famous Japanese morale and to lull the average Japanese in the pleasant illusion that American help will, once more, save the country and enable it to continue in its present state of fictitious prosperity. Millions of pounds are being spent each year on exotic pastimes and anti-American agitation — all this is much more amusing than the study of uninteresting facts related to the trade deficit and the blackmarket speculations in dollars.

According to the official estimates, the USA has spent during the last three years, more than 3,500 mill. dollars in paying for Japanese goods and services, in order to serve the needs of the war in Korea and of the American rearmament program in the Pacific. Government circles stress that these unusually large orders improved the economic situation of Japan to such an extent that the industrial production of the country in 1951 exceeded the pre-war production. After the truce in Korea these extraordinarily large supplies were discontinued, but now the same thing is happening, to a much smaller extent, in connection with the reconstruction of Korea, conducted under the auspices of the USA and UNO. It is worth noting that after the Korean armistice Japanese industry was seized with a panic fear of an industrial crisis, so that the USA was forced to intervene, declaring that American aid would be forthcoming during the next two years. This aid, which was given during the post-war period in various forms, reached the considerable figure of 2,100 million dollars. Japan is receiving help from the USA, through indirect channels as well, i. e. America pays the expenses of the army of occupation at a rate of 1 million dollars a day.

This is one side of the statistics. American aid resulted in an increase of profits for those who were rich already. We are also witnesses of the small and great scandals which crop up in the hot-house atmosphere of Japanese economy, under the influence of dollar sun. The situation of those who have little or nothing has remained unaltered. American aid and special Japanese incomes from American sources (amounting to some 800 million dollars a year) enabled Japan to import in 1953 (the year under the Zodiacal sign of the Dormant Serpent) great quantities of luxurious goods which fill the windows of elegant shops in Tokyo, conveying an impression of imperial luxury and wealth. This same year of imperial luxury, when worded in financial terms, meant the increase of the Japanese trade deficit to a sum of more than 240 mill. dollars. In 1953 the soft and unstable yen currency lost another 10% of its value, and inflation continued unabated. The Government used the largest part of the American dollar transfusion to check, at least to some extent, the consequences of the devastating deficit, and undertook to make severe cuts in



its „super-balanced“ deficit. These cuts amounted to millions of pounds, chiefly at the expense of State grants in aid, investments, social allowances and public works reducing them to negligible amounts. This year, i. e. in the year of the Archer, traditionally a lucky year, Yoshida informed his subjects of his broad plan to pursue the policy of strict frugality. Those economists, however, who believe only in real economic factors, predict that in 1954 the deficit will be increased by more than 300 million dollars.

Today, when the atmosphere in Korea is brighter, the storm of crisis is gathering over Japan. American spending in Japan is decreasing, and recently the Americans, dissatisfied with the slow progress of their plans to rearm Japan, warned that the sources of their magnanimity might dry completely. The situation threatens to become serious this year, because the time is approaching when Japan will have to begin to pay back the American aid, which amounts to more than two billion dollars. Nobody can tell at present how Japan proposes to pay her debt to the Americans, being unable to pay even reparations to those countries which suffered from her aggression in the last war. The Government faces the imminent danger of industrial unrest as a result of rising prices, increased unemployment etc. The recent financial scandals in connection with State subsidies, the misuse of dollar funds and the bribing of politicians of the Right and Ministers by the big capitalists handicapped the Government and undermined the people's confidence in the regime of the rightist parties. Japan is facing such unpleasant problems as industrial stagnation, increased deficit, an obsolete industry, rearmament problems, reparations — all this coupled with the problems of increased population and of an increased number of totally or partially unemployed. Japan is confronted with the difficulty of how to solve the problem of industrial production and that of exports. Traditional Japanese discipline and perseverance are being undermined under the influence of the hothouse atmosphere in which the country is living at present. After the short dream which lasted during the capitulation and occupation, people have now suddenly awakened, fully conscious of the critical character of the present situation, and of the need to undertake urgent measures. The influential circles, the activity and political philosophy of which were recently condemned by history, are again showing a tendency to look for a way out in the formation of a large armed force, in heavy rearmament industry, and in military and political alliances. Such tendencies are reminiscent of past events and of their consequences. In the second half of the 19th century Japan opened its doors to the American expedition, forcing others, only twenty years later, to give way to Japan — so the sons of the sun, nine years ago, surrendered to Mac Arthur. The Americans enabled them to recover, encouraging them to think in terms of war industry and military alliances. The Japanese Parties of the Right wish to make war industry and military alliances the basis of the future policy of Japan. Do not these concepts remind the former victims of Japanese aggression of the drawing of the Imperial sword from its sheath?

### THE CONCEPTS OF THE THIRD FORCE

These concepts are supported by the Progressive Party of Shigemitsu and by the Liberal dissidents. The other forces of present Japanese society are in favour of a policy which would open a vista of national independence and freedom, released from non-Japanese influences and interests. The left Socialists are the strongest opponents of the policy of rearmament and of the present form of relations between Japan and the USA. Right Socialists hold somewhat different views; they are in favour of a policy of limited rearmament, i. e. which would amount to less than 5% of total State expenditures.

The chief principle of the foreign policy of the left Socialists, formulated at their Annual Congress held in January this year, is the building up of an independent and neutral Japan which would keep aloof from opposing blocs, finding its place within the so-called third force. Left Socialists do not wish to see Japan become a bastion of the American strategic system in the Pacific. They consider that if Japan adheres to the American strategic system this will greatly endanger the security of the country, which would be in danger of being involved in a possible

war, as the exponent of one of the two blocs. They even claim neutrality for Japan, proposing that Japan should ask for international guarantees of her neutrality.

The foreign policy declaration of the Party is of special importance, especially that part of it which deals with the problems of Japan's relations with the Asiatic countries. The Socialists consider that Japan should abstain from the cold war between USA and Russia, from military pacts with USA, and from the rearmament policy. Japan should do all she can to free the country from foreign troops and strategic bases; she should take the initiative in resuming normal relations with the P. R. of China, and even conclude a pact of non-aggression. A more extensive exchange of goods between China and Japan would follow, coupled with co-operation in other fields. The Socialist Party holds the view that the primary task of Japanese foreign policy is to strengthen the political, economic and cultural ties with Asiatic and Arab countries, which are pursuing a neutral policy in their relations with the two blocs. The Party is of the opinion that China should be admitted to UNO. It favours a peaceful settlement of the problem of Formosa, which should belong to the P. R. of China. It is against the partition of Korea; it is in favour of a neutral Korea under the control of a single democratic Government — the security and neutrality of Korea should be internationally guaranteed. Left Socialists are of the opinion that a Peace Treaty with the USSR should be concluded, as well as a pact of non-aggression. They believe that such a policy would enable Japan to regain the South Sakhalin and Kuril Islands. One cannot help thinking that they have a rather naive opinion of the importance of the changes brought about by the Government of Malenkov, and of sincerity of the Soviet declarations in favour of peace with Japan and of its independence. Such illusions, to say the least, are especially conspicuous when we consider this Party's belief that Malenkov's declarations on housing problems and on the production of consumption goods in USSR contribute to the fostering of the peace front in the world.

Left Socialists strongly protest against the dependence of the Japanese economy on the dollar area, and are in favour of the country's economic independence. Their peacetime plan of economic development provides for the modernization of industry and for more extensive trading with all countries, primarily with the Asiatic countries, P. R. of China included.

### EXCITING VISIONS

The circles of the Right firmly believe that the Agreement on American Military help to Japan, amounting to some 100 million dollars, will mean an end to all uncertainties, constituting such a rearmament stimulus that all the needs of the country will be satisfied. The possible crisis will be averted, thanks to American readiness to help. But it would be deplorable (let us quote here the paper „Nippon Times“) „if we become a nation of beggars, always depending upon the help of others“. The supporters of the policy of rearmament see in their dreams a powerful, armed Japan, great Power Number 1 in the Pacific. This vision is very attractive to the sons of the sun. They look in the direction of South-Eastern Asia and official circles have already promised the industrialists that the Government will help their investments in South-Eastern Asia and the strengthening of Japanese influence in this area.

Japan is looking for new export markets. Japanese believe that the year of the Archer should bring prosperity to Japan — from the East and not from the West. Many experienced people in Japan, exporters and economists included, believe that the policy of help from USA, with all its direct and indirect consequences, and the policy of rearmament, are contrary to the resumption of friendly relations with the vast Chinese and Asiatic territory. They would prefer the Archer to bring them prosperity from the regions lying to the west of them than from those to the east. The Asiatic countries, more than any others, suffered from all kinds of aggression, subjugation and humiliation. Their problems are very urgent. These are not problems of atomic competition, but those of bare existence and national health. The Asiatic countries are conscious that they can achieve these ends only if they are independent and if they live in peace. The peoples of Asia regard with the greatest mistrust any other policy.



VLADIMIR STOJANČEVIĆ

## The First Serbian Rising and Its Time

### II

**A**FTER Napoleon's victory in December 1805 over Austria and Russia at the battle of Austerlitz, which led to the Peace of Požun, France received all the former Venetian territories in the Balkans, including Istria, Dalmatia and Boka Kotorska, which gave her a direct frontier with Turkey. From that time onwards France became directly interested in all political and economic questions concerning Turkey, and displayed a keen interest in diplomatic combinations on the Balkan Peninsula. In 1805 Napoleon inaugurated the new French oriental policy, for which he enlisted the support of Prussia. As distinct from the obviously protective attitude of France and Prussia towards the Porte, after having assessed the Serbo-Turkish conflict from her own standpoint, Austria adopted a policy of strict neutrality. The Russian attitude was completely different, having undergone a radical change both towards the Porte and the Serbs, by the end of 1806. As Russia feared the rapid expansion of French influence in the Balkans, the importance of the Serb rising and the Serb issue in general notably increased. Both the Russians and the Austrians knew the standpoint of the Serbian deputation in Vienna, which made it clear that the insurgents would be forced to apply to Napoleon for aid, in case they were rejected by the Austrian or Russian court. That is why the principles of the new Russian political orientation in the Balkans were extensively debated in the Russian Ministry of Foreign Affairs. In the opinion of the Russian Foreign Minister, Chartoriski — and he submitted his ideas to Czar Alexander for approval — the interests of Russian policy in the Balkans necessitated that the maximum possible autonomy should be accorded to Serbia (as had formerly been done in the case of Wallachia and Moldavia) with the purpose of binding her more firmly to Russia and thus lessening the danger of French influence in this part of Europe. It was for this reason that Atalinski urged the Porte to grant concessions to the Serbs, while at the same time the internuncio Sturmer made similar steps.

It was difficult for the Serbs to find their bearings in such a political and diplomatic situation. They strove for their interests both with the Austrians and the Russians, but failed to meet with sufficient understanding and were not granted any real aid. The insurgent leaders constantly insisted on autonomy and foreign guarantees: they did not deny the sultan his sovereignty in principle, but energetically opposed every attempt at restoring Turkish rule by violence, or any other means not based on a negotiated settlement and the voluntary agreement of the Serbian people. The battle of Ivankovac and the defeat of the Turkish imperial army were obvious examples of the Serbian determination to persist in their struggle. But the Serbs were no less aware of their incapacity to resist a stronger Turkish offensive indefinitely, without material, military, and political support from abroad. In the course of time, particularly after the only half-successful missions to Vienna and St. Petersburg, and the battle of Ivankovac, the Serbs realized that they would have to resist the Turks for a long time to come. Consequently it was evident that a conspicuous military success would favourably influence the cause of the insurgents abroad and also bring about greater concessions from the Porte. The fall of the fortress of Smederevo in November 1805 was another incentive to the warlike enthu-

siasm of the insurgents. Thus from 1805 onwards they combined diplomatic and military moves, alternating negotiations with armed conflicts. Fully aware of the critical position of the Christian population in the Turkish Empire, they began counting on its support. The large-scale Turkish military preparations for a new offensive against the Belgrade pashalik in 1806 prompted the Serbs to come to important decisions on a series of practical measures for the preservation of the gains and achievements, at their Assembly in Smederevo which was held by the end of 1805.

In the Spring of 1806 the Serbs succeeded in permanently liberating Poreč in the Vidin pashalik, Paraćin, Ražanj and Kruševac in the district of Leskovac, Aleksinac in the Niš district, and part of Stari Vlah, in the district of Novi Pazar. Apart from their territorial importance, these successes were also of strategic value. The great military victories and the permanent state of war with the Turks led to the creation of a special fighting and self-sacrificing mentality and immense patriotism, which was based on the realisation that the defence of one's own hearth, one's personal dignity and the common interests of the whole Serbian people were at stake.

While awaiting further developments, the insurgents carried on lively political activity. Great attention was devoted to the areas of South Western Serbia, the establishment of contact with the insurgent East Herzegovina tribes, and with the Montenegrins. In May 1806 Karadjordje tried all possible means to persuade the Montenegrin ruler, Peter I, to join the action against the Turks. At that time Montenegro — in compliance with Russian demand — was engaged in fighting against the French over Boka Kotorska, and failed to respond to the Serbian appeal. In the Summer of 1806 the Turks invaded the liberated part of Serbia from two directions, i. e. from Bosnia and Rumelia. Both these operations, however, ended in defeat, and in January 1807 the Serbian victories were crowned by the fall of Belgrade and Sabac. Turkish authority in the Belgrade pashalik was still maintained only in the frontier forts of Soko and Užice. Meanwhile, elated by their successes, the Serbs repudiated the Ičko Peace, by which the Porte had semi-officially consented to Serbian autonomy, with the proviso that a fixed tax should be collected by the local Serbian ruler (knez) and handed over to the new Turkish imperial muhasile Hasan Aga.

These events ended the first stage of the Serbian people's struggle against the Turkish army and the official representatives of the Porte, a period marked by the clear superiority of the fighting forces of the insurgents and the vast prestige and influence they exercised on the Turkish citizens in Bosnia, Rumelia and Bulgaria. This was also the last stage of independent Serbian fighting against Turkish rule in Serbia. At the beginning of 1807, after the arrival of the Russian army in Wallachia and Moldavia, the Serbs became Russian allies, thus opening the second period of the Serbian rising (1807—1813) which differed greatly from the previous stage, not only as regards its military and political orientation, but also regarding its military and diplomatic achievements, and its ultimate political objectives.



In Serbian historiography the year 1806 is considered as the most successful year of the First Rising, while at the same time marking the cessation of the persistent endeavours of the Serbians to liberate Serbia from her state of absolute subservience to the Turkish Empire by their own military, political and diplomatic efforts. „In connexion with the great international conflicts over the Oriental problem“ wrote V. Popović in his book, „Europe and the Serbian Problem in the Period of Liberation“, — „the Serbian problem was invested with international importance, thus enabling it to be treated not as an internal concern of Turkey, but as a question of Serbian statehood. The statesmanship, and political and military qualities of the Serbs created the basic conditions for an early solution of the Serbian issue, which was indeed the first to be settled among the Balkan national problems, and consequently insured the settlement of the Oriental question..... in accordance with the new democratic principle of nationality“.

The First Serbian Rising now took on a specific significance for the Balkans. After the great victories of the insurgents similar movements flared up in Bosnia, South Serbia and Western Bulgaria. The moral prestige of Serbia was particularly enhanced by the death in battle of several Bosnian hereditary captains, and the lamentable retreat of several pashas after the battle of Deligrad.

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The fighting with the Turks at the beginning of 1807 was actually a resumption of the former hostilities. It seemed certain that the concerted Russo-Serbian action against the Turks, and particularly of the active Serbian political propaganda among the Turkish citizens would lead to a general movement of the Balkan peoples, as prophetically envisioned by the unlucky Greek poet Riga of Fera. Such movements actually began in the interior of Turkey, although to a far lesser extent and intensity than could have been expected, in view of the general military and political developments in Serbia and on the Lower Danube.

The Serbian province of Krajina constituted the main theatre of operations in 1807, when the concerted action of the Serbian and Russian forces routed the Turks at Stubik and Malajnica.

The Tilsit Peace, which was concluded at that time between France and Russia, offered diplomatic protection to Turkey as a French ally. Consequently an armistice, which also tacitly included Serbia, was concluded between the Russians and Turks in Slobozia. This armistice was followed by a relatively quiet period, which lasted until 1809. Although the Turks refused to recognize the existence of Serbia as a fait accompli after the conclusion of this treaty, they still had to reconcile themselves to the fact that the demarcation line of the Serbian-Turkish front actually constituted the political frontier of Serbia with the rest of Turkey. Within these frontiers the organization of the new Serbian state was initiated. A constitution which invested Karadjordje with full administrative and military authority was set up. This work was interrupted by the resumption of the Russo-Turkish war at the beginning of 1809.

In this period, which lasted from the middle of 1807 to the beginning of 1809, the question of international recognition, which depended on the attitude of the diplomatic and political circles of the then leading European powers, primarily France and Russia, was one of the most important issues in connexion with the restoration of the Serbian state and the fulfilment of its national programme. Actually two opinions prevailed among the Serbian leaders regarding the position and extent of the future Serbian state: the first conception was based on the existing military and political position of Serbia in relation to Turkey, (including the Belgrade pashalik with the six liberated adjacent nahijas /districts/), while the second, which considered the Turkish empire on the verge of breakdown, planned the union of Serbia with Bosnia (and Herzegovina), Montenegro, and the neighbouring areas of Kosovo and South Morava. The Serbian intellectuals in Austria considered that Serbia should cover the approximate territories of the ancient Serbian Empire (the Stratimirović Memoire in 1804). The first conception was certainly the more realistic of the two, being based on the actual state of affairs, while the second gained particular prominence during the periods of intensive military activity and the initial Serbian successes. When the question of the future international status of Serbia was raised in Russian military and political circles in 1808, the Serbian delegates who visited Marshal Prozorovski

in Bucharest advocated the second standpoint. The Russians, however, were only prepared to demand autonomy under Russian protection from the Turks at the next armistice, while Serbia would have to accept the obligation to pay a certain tax to the Turks. Although contrary to Serbian expectations, this attitude on the part of Russians was perfectly natural in the light of the European situation at that time and political conceptions regarding the division of spheres of interest among the big powers, being based on the provisions of the Erfurt Agreement (September 1808) concluded between Emperor Alexander and Napoleon. In accordance with this agreement France, in exchange for a free hand in Spain, gave Russia carte blanche to seize Finland from Sweden. But as Russian relations with Turkey, who was considered a French ally, were not regulated, Napoleon consented in the supplementary covenant of the Erfurt Agreement that „Russia should annex Wallachia and Moldavia, provided this clause of the agreement was kept secret, so as not to drive Turkey into the English camp; but that Russia should continue to endeavour to get these two provinces by means of negotiations“. Apart from this, both emperors guaranteed the integrity of the remaining Turkish territories, including Serbia. Thus the fates of the furthest territories of Europe, Finland and Spain, became entangled in the oriental problem, while the Serbian question indirectly became closely linked up with the great European conflicts. The solution of the Serbian problem thus became a matter of secondary importance in the general scheme of Russian aspirations in the Near East..... However, as the Porte consented to neither of the Russian demands (the handing over of Bessarabia, Wallachia and Moldavia to the Russians, and the granting of guaranteed Serbian autonomy) the Russo-Serbian war against the Turks was resumed in 1809.

During the Serbian military successes which soon followed, the Russians — in spite of their promise — took little or no part in the operations, offering as excuses for this the great Danube floods, the lack of pontons, and the weakness of their forces. This inactivity of Russia enabled the Turks to concentrate almost all of their available forces against Serbia, i. e. against the front which was considered least important in the Serbian strategic and political plans. Soon all the Serbian gains in the west were abandoned and the bulk of the Serbian forces transferred to the Morava field of operations. The defence of Deligrad, which lasted seven weeks, the Turkish defeat at Jagodina, and Karadjordje's victory in Resava, all coincided with the time when the Russians finally crossed the Danube. In the course of several months' fighting in 1810, the Turks were defeated at Loznica and Varvarin, after which the whole of Eastern Serbia was liberated.

Military action against the Turks during the First Serbian Rising came to an end in 1811, with the obvious abandonment of all offensive plans and greatly weakened fighting potential.

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The Austrian attitude towards the First Serbian Rising depended on three vital factors of that time: the intensity and extent of the liberation war in Serbia, the character and strength of Russo-Serbian ties, and the diplomatic and political attitude of France towards the Oriental problem, especially towards Turkey. In the beginning Austria considered the Serbian Rising as one of the numerous revolts at that time and as an internal problem of the Turkish Empire, and adopted a conciliatory attitude towards the Serbs, being interested in the maintenance of order and security in the Belgrade pashalik for trade and business reasons. However, after the Serbian victories over the Turkish Imperial army in 1805 and 1806, and especially after the fall of Belgrade and the limited, but nevertheless actual joint Russo-Serbian action, the Austrian attitude changed. The more the First Rising assumed the guise of a nationalist and revolutionary movement which spread to the adjacent Turkish pashaliks, and the greater the Russian influence on the Serbs, the colder Austria became towards the Serbian movement.

As the absolute ruler of Serbia, Karadjordje laid his greatest hopes in France. In 1809 he sent his delegate, Rade Vučinić, who unsuccessfully advocated the Serbian cause till 1814, to Napoleon. Due to political and strategic considerations, Napoleon was more interested in Turkish friendship than in the Serbian cause, although he personally highly esteemed the military successes of the Serbian insur-



and the progressive sections of the kolkhoz members (since the forcible collectivization and separation of peasants from the means of production — land and agricultural machines — has placed the farmers on an equal footing with the workers). They were most clearly manifested in 1951 and 1952 through the so called Stakhanovite councils, which were set up by the workers with the assistance of the local trade union branches in individual industrially developed regions (Leningrad, Riga, etc.). With the forming of these councils the workers demanded a share in the management of production. Some of these councils went so far as to demand, through their spontaneously adopted statutes, that the workers should control the financial activities of the enterprises, and thus, in a primitive and crude way it is true, touched upon the question of their participation in the distribution and control of the surplus of labour.

In a similar way this tendency was displayed by some kolkhozes in South Russia, when they demanded that tractors and other machines from the machine tractor stations, which are leased to the kolkhozes during tilling seasons, should be placed under the management of the kolkhoz boards. While the demand by the workers was supported only by the local trade union branches, that of the kolkhozes was approved by some economists (Venzher and Sanina), as shown by their proposal that the machines of the machine tractor stations should be placed under the kolkhoz management or given to them altogether.

These demands grew out of practice, and the workers came to insist upon them in an empirical way. As a result the mentioned tendencies bear the stamp of one-sidedness and practicism. Nevertheless, they exist, and it is noteworthy that the said Stakhanovite councils were repeatedly abolished by the local organs of authority and reestablished by the workers, until the sharp intervention of the state organs, inspired by the Central Board of the Soviet Trade Unions and the bureaucratic superiors uprooted them completely. The persistence with which the workers re-established their dissolved Stakhanovite councils shows how the former strove to acquire even a small part in the management of production. There were some kolkhoz members and agricultural experts, too, who even in 1953 still upheld the demand of the kolkhozes to extend their control over the agricultural machines from the machine tractor stations, during the seasons at least. Stalin himself, as is known, sharply attacked these tendencies in his article: „Some Economic Questions of Socialism in the Soviet Union“.

The attempts of the producers to wrench the means of production from the hands of the bureaucratic administration, and take over the management of production, show that the workers and peasants are becoming increasingly aware of their social position, of their real interests and rights, and that they are trying to find ways and means to realize them. Naturally, these endeavours are still far from producing any concrete results, not only because the bureaucracy, fearing for its own positions, reacts sharply, but also because they are still weak and immature. These endeavours are only the first signs of life of a new class conflict, which is smouldering in the Soviet Union, and which will eventually acquire a definite scope and a livelier tempo.

On viewing things in this light it will be easier to grasp the necessity of the changes the Malenkov Government was compelled to make if it wanted to consolidate, for the time being, at least, existing relations, and protect them from greater shocks. Owing to the workers' and peasants' lack of interest in production, many economic branches in the Soviet Union, particularly agriculture and light industry, are stagnant, and in some cases alarming decreases in production were recorded (livestock breeding, fruit and vegetable growing, timber industry establishments, etc.). The increase in the number of office workers in state and economic organizations raised bureaucratic parasitism to great proportions (in some enterprises the number of office workers is equal to the number of workers). This, too, proved to be an obstruction to production, simply because such large administrative staffs, sunk deep in bureaucratic inertia, are incapable of organizing the enterprises. And so, even the little interest in production, which the workers, influenced by socialist phraseology, still had, disappeared in their conflict with the inertia of the economic bureaucracy. (Most of the proposals workers give for the rationalization and improvement of production end on directors' desks, without any steps being taken to investigate them).

After Stalin's death the new Soviet leaders effected some changes in their internal policy, the aim of which

was, first, to increase the interest of the producers in production (by lowering taxes in agriculture, giving higher prices for the agricultural products which farmers are obliged to deliver to the state, by decreasing the volume of such deliveries, by supplying greater quantities of consumer goods at lower prices, and by increasing real wages) and, secondly, to reorganize the state administration so as to break up its inertia and enable it to increase the productivity in the enterprises (by reducing the number of office workers, many of whom, particularly agricultural experts, were transferred to new posts in the villages, where they were needed most, by decentralizing gradually the economic management, transferring functions from higher to lower organs, etc.).

The most important thing in the new policy of the leading Soviet circles is, undoubtedly, the intention to raise the living standard of the masses, which was expressed in measures for increasing agricultural and consumer goods' production. All this was necessary and inevitable, seeing that the standard of living of the Soviet citizen is too low, and that there is a great disproportion between heavy and light industry. But these measures would never have been contemplated if the Soviet Union had not achieved certain successes in the construction of key industries, which have enabled the bureaucratic leaders to make certain changes in their economic policy, without any fear for their own positions.

But the provision of investments and the engagement of experts are in themselves not enough to ensure success in the carrying out of the new Soviet economic policy. What is needed is a change in the relations of the producers towards work. The concessions which have been made are too small to induce the workers and peasants to try to increase the productivity of their labour. Therefore the leaders of the Soviet Union will have to provide material benefits for the working people, if they are to arouse their interest in production, and that can best be done by enabling them to participate in the distribution of the surplus of labour. This is, in fact, the desire of the workers and peasants, who are knocking on the door of the bureaucracy and demanding their historic rights.

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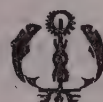
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DR VIKTOR NOVAK

Professor of Belgrade University

## Historical Survey of Vatican-South Slav Relations

ON THE APPEARANCE OF THE BOOK „VATICAN-YUGOSLAVIA“

THE supreme institution of the Catholic church in Rome, whether called the Lateran, Vatican, the Holy or Apostolic See, the Curia Romana, the Supreme Pontiff, Pontifex Maximus, Pappas the Father, or simply the Pope, has written many pages in the history of the South Slav peoples since the early Middle Ages.

The historical span of the Vatican relations towards our peoples during their entire history in the Balkans is not only long, but also extremely complex. Often these relations tend to seem rather confusing at first sight, but in the long run it becomes clear that they have invariably exercised an adverse influence on the fate of the Yugoslav peoples. This process of development, which has gone on for thirteen and half centuries, is marked by many events in the history of the Yugoslav peoples which bear the imprint of the Vatican. The centuries-old sequence of events in this branch of history abounds in seemingly contradictory but essentially the same unchanging political aspirations of Rome, even when they have assumed a purely ecclesiastical and religious guise.

The first Latin reports on the Slavs, who during the concluding stages of the Great Migration, at the end of the sixth and beginning of the seventh century, and in full accordance with the laws of history, began settling in their new homeland (the broad Balkan regions of the former Roman Illyria, which was divided as early as the fourth century into Eastern and Western Illyria, with capitals in Rome and Constantinople), originated from the offices of the Roman Pontiff. It should be said at once that these reports were not in the least favourable to the Slavs. This was only natural, in view of the fact that although the Pope was still not the head of a secular state at that time, as was to be the case two centuries later, his political prestige already went far beyond the walls of Rome and the limits of Italy proper. Thus, thanks to historical circumstance, the Pope had already become the wealthiest and greatest landowner as well as the supreme ecclesiastical leader of religion which, for many reasons aspired to become universal and exclusive. The means for the achievement of this far-reaching and ambitious goal were not always exclusively religious, evangelical or apostolic. On the contrary they were often military, violent, cruel, ruthless, inquisitory and crusading and, as such, directed not only against the infidels in the East but the Christian heretics in Europe as well. Although the church was very proud of its principle: „ecclesia non sitit sanguinem“ (the church does not thirst for blood), it did not shrink from using the entirely secular methods of fire and sword to keep people under its domination and punish those who dared interpret the New Testament in their own way, or adopt a critical attitude towards the church prelates and their profligacy, or their completely secular ideas regarding their duties and position, which were in complete contradiction to the basic commandments of the Gospels.

In Rome itself, during the momentous developments which preceded and followed the fall of the Roman Empire in the course of the fifth and sixth centuries A. D., and which took place throughout the former Roman territories in Europe (it is sufficient to recall some of the prime movers in these events — Alaric the Visigoth, Geyseric the Vandal, Attila the Hun, Odoacer leader of the Germanic legions in the Roman army, Clovis the Frank, Theodoric the Ostrogoth, Justinian of Byzantium, Alboin and his successors of the Lombards), the Pope gradually became the

representative of the Roman people, both in Rome proper and in the entire duchy of Rome (which consisted of Latium and Southern Etruria). It was already obvious at this juncture that the former imperial authority in Rome was being replaced by that of the Pope.

It is hence understandable that the Roman pontiff of that time viewed current development in the light of the political interests of the church he headed. Thus he never failed to anathemise all the barbarian religions, whether polytheistic, or „heretically“ Christian, as was Gothic Arianism. However the process which marked the creation of a new structure of Europe, entirely different from that of the former Roman Empire could not now be arrested. Meanwhile Pope Gregory I, who was not named the Great without reason, viewed the Slavs from the same pontifical standpoint. Gregory I was the famous Pope and statesman who left sufficient directives in his writings to provide the basis for the long-range political conceptions which guided the papacy through world history. He developed the idea promulgated by Pope Leo I of the Roman Pontiff as supreme head of Universal Christian Church, while this conception was soon to receive official sanction from the emperor, who invested the Pope with the title Rector Universalis by imperial edict. Apart from this, Pope Gregory I was extremely successful both where the sacerdotium and the imperium were concerned, or, to be more precise, in the acquisition of secular power over the European Christians, over the states and their rulers. Gregory succeeded in enlisting the Goths and Lombards in the Catholic cause, converted the Anglo-Saxons, and brought the self-willed Frankish episcopate more firmly under his control. This not only enhanced the prestige of the Roman Pontiff, but it also extended his influence to vast areas of the Europe of that time, and gave rise to the conviction that only faithful Catholic peoples could develop in this new Europe, which was gradually emerging from the ruins of the Roman Empire. Consequently all newcomers to the European political scene who stubbornly persisted in ignoring this cultural and historical imperative were either forced to withdraw, or eventually to submit to this new medieval pole. Nothing could change the essence of Pope Gregory's aspirations to secular power, not even the fact that he christened himself „servus servorum dei“ (the servant of the servants of God) as distinct from the title, of ecumenical and universal patriarch, assumed by his rival in Constantinople. One should always bear in mind that the magistral Rome-Constantinople was already more or less clearly delineated at this time, and already contained all the inherent contradictions and conflicts which were to lead to such serious consequences in the course of history. Thus the supreme representative of medieval Catholicism viewed with concern the new danger which appeared with the immigration of the Slavs in the former Roman Illyria. His misgivings were not unfounded, as his forebodings regarding the further course of development proved right, because the Southern Slavs showed little or no understanding of the ideas of the Roman pontiffs and their endeavours to restore the Roman Empire, which later coincided completely with the aspirations of Charlemagne and the Emperor Otto. The Curia Romana was to become the trusted ally of the Frankish and German imperialists. Consequently the Slav endeavours to achieve their own interests and objectives, especially when they succeeded in forming their own states, were to come into serious and prolonged conflict with the interests of



market (in accordance with a previously concluded agreement), and partly to Great Britain, who also procures wheat in Canada at lower prices. India mainly imported wheat from the dollar area. Australian imports were predominantly from the non-dollar area and were dearer than those paid for in dollars. In addition to her purchases in the New Zealand market Australia also bought wood in Canada for dollars. Furthermore, in her endeavours to quicken the pace of her industrial development, Australia revealed a stronger tendency than the other Commonwealth countries to establish closer ties with the USA. This was done with an eye to the increased flow to these areas of American private capital, which is at present mainly invested in industry, and prospecting for and exploitation of oil and uranium. The example of Australia is also interesting in the light of the proposals she advanced at the London Conference during the talks with the British Government representatives, which to a certain extent resulted in the greater independence of her economy in relation to the economy of Great Britain. The talks with the British Government led to a 10% price increase on Australian food exports, while the prices of New Zealand products rose by a mere 7.5% in comparison. By agreements concluded with the British Government at the beginning of 1953, Australia and New Zealand received guarantees for the maintenance of the London market for the next 15 years, and assurances of a possible annual price revision. Australia particularly insisted that Great Britain should invest adequate funds if she wishes to promote agricultural production in Australia. By so doing Australia wished to insure herself against eventual production surpluses, for which she would be unable to find a customer in view of increased competition on the world market. Australia further requested the British Government that the present trade exchange be based on the principle of compensation, to be effected in equipment necessary for Australian defence preparations.

As distinct from Australia, New Zealand introduced less severe restrictions on the imports of British industrial products, in view of the fact that Great Britain remained the most important market for New Zealand produce, especially since the USA, contrary to the trade agreement concluded, had banned the import of dairy and agricultural produce from New Zealand by the end of 1952. The fact that New Zealand covers its imports from Great Britain by exports also influenced the lower percentage of price increase. Great Britain, meanwhile, was extremely interested in regulating her trade relations with Australia and New Zealand, in view of the part assigned to them in the Commonwealth defence preparations in the Pacific, especially since the USA opposed the participation of Great Britain in the ANZUS Pact which should insure the increased support of these countries for American policy in the Far East.

While the USA reduced their wool purchases to a minimum after the conflict in Korea, and while wool consumption in other countries during the 1951-1953 period steadily increased, and reached a 20% higher level than before, wool imports to Great Britain reached their peak in the post-war period. Wool demand increased in Western Germany and the Soviet bloc countries as well. Japan also increased the volume of her wool imports more than was expected, so that she again assumed the leading role in the maintenance of prices. Increased Japanese imports from the sterling area only weakened her already adverse sterling balance. Japanese imports from Australia alone exceed exports by 67 million pounds. The British Government recently concluded a trade agreement with Japan, in the spirit of the Sidney conference. Both Australia and New Zealand, however, are faced with the following alternatives in their trade with Japan: either to eliminate the present restrictions in their exchange with Japan (which would lead to more intense competition of Japanese industrial products), or to offer opportunities for further Japanese expansion on the Pacific and Asian markets by continuing a policy of restrictions. On the other hand, Australia and New Zealand who are dependent on USA security guarantees in case of eventual Japanese aggression, have not succeeded so far in obtaining any actual facilities for exports to the United States. Even after somewhat protracted talks Australia was unable to conclude an agreement on friendship, trade and navigation with the United States. Consequently these two countries are driven towards greater trade exchange with Japan as a source of dollar earnings. This is also corroborated by the considerable similarity between the views of the Australian and New Zealand Governments and the United States conception of the future role of Japan in the

Far East and the Pacific. It should be borne in mind that Japan has so far pursued a policy of rapid trade expansion, particularly with Indonesia, Pakistan and India, and has shown keen interest in the Colombo Plan.

Complete agreement between the Commonwealth countries is also lacking where the question of imperial preferentials is concerned. In London Australia, New Zealand and South Africa expressed their wish for a broader application of these preferentials, while Canada, India and other countries adhered to the opposite standpoint. Each group was guided by its own interests. In Sidney the divergent views of Canada and New Zealand were particularly obvious. Nevertheless, the opinion still prevails in most Commonwealth countries — as preferences are limited by GATT provisions — that preferential trade is possible by means of trade agreements, which would contribute to the development of trade and eliminate competition among the Commonwealth countries.

Both conferences were held under specific conditions. While the London conference was convened at a time when the boom caused by the war in Korea revealed signs of slackening, the Sidney Conference was held at a time when the economic systems of the individual countries showed increasing symptoms of regression. Only the British policy of stabilising and balancing the economies of the Commonwealth countries and insuring the economic unity of the entire area remained unchanged. The London Conference was to have marked a change regarding the principles on which economic relations would be based in the future; the Sidney Conference based its work on the uncertainty of the future American foreign trade policy, and devoted the greatest attention to the strengthening of the economic position of the sterling countries. It indicated the necessity of trade expansion both with the dollar and non-dollar areas, while attributing particular importance to co-operation with the USA and Western Europe. One should not preclude the possibility that the Commonwealth will in future adopt the policy of devising the most suitable forms for this cooperation, through the European Payments Union, the European Economic Commission and similar institutions.

The different opinions which were expressed at these conferences, both regarding purely economic matters, such as the preference system, the question of convertibility of the pound sterling, mutual trade, the financing of development programmes, and the different standpoints adopted towards certain political issues where it was impossible at present to reach full agreement — as for instance regarding the conclusion of the Japanese Peace Treaty, the recognition and admission of the People's Republic of China to UNO, the participation of the Commonwealth countries in the security system — indicate that the Commonwealth cannot be considered as an economic and political entity in the real sense of the word.

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Lard, margarine, sugar, salt, rice, coffee, cocoa, spices, tea, dried fruit, raisins, acetic essence, juices, acids and similar chocolate industry requisites, gum arabic, colophony, orange oil, lemon oil, lemon and orange acid, menthol, pectine, etc., dried haddock, cork, sulfate cellulose, natron-paper bags, natron-paper, special kinds of paper, paper confection, raphia, sea-weed, sheaf-binding ties, jute bags, gelatine, sisal fibre and spun yarn.

OUR ENTERPRISE IS THE BEST INTRODUCED OF ALL ENTERPRISES BOTH ON  
THE HOME MARKET AND ABROAD.





# „JUGOSLAVIJA FILM“

**IMPORT - EXPORT**

**BEOGRAD**

**Knez Mihajlova 19 (Yugoslavia)**

**Cables: JUGOFILM**

**Telephone: 23-041, 25-900**

Imports artistic feature films and supplies the picture-theatre network of Yugoslavia with all outstanding film productions.

Imported so far films from the following countries:  
France, England, USA, Italy, Germany, Austria,  
Denmark, Switzerland, Sweden, Norway, Finland,  
Greece, Mexico, Argentine, India.

In 1954, „Jugoslavija Film“ will broaden its film-import to the other countries with a home production.

Please send all offers and inquiries to the above address, with mention of our P. O. Box no. 243.